

103D CONGRESS
1ST SESSION

H. R. 2404

AN ACT

To authorize appropriations for foreign assistance programs, and for other purposes.

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To authorize appropriations for foreign assistance programs,
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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Foreign Assistance Au-
5 thorization Act of 1993”.

6 **SEC. 2. TABLE OF CONTENTS.**

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1 **TITLE I—REFORM OF FOREIGN** 2 **ASSISTANCE PROGRAMS**

3 **SEC. 101. NEED FOR FOREIGN ASSISTANCE REFORM.**

4 (a) NEED FOR REFORM.—The Congress—

5 (1) remains convinced that United States for-
 6 foreign assistance programs and the Agency for Inter-
 7 national Development are in need of immediate re-
 8 form; and

9 (2) remains prepared to enact reform legislation
 10 in time for the fiscal year 1995 authorization and
 11 appropriations cycle.

1 (b) COMPREHENSIVE REFORM PLAN.—To facilitate
2 this reform process, the President shall submit to the Con-
3 gress, within 60 days after the date of enactment of this
4 Act, a plan for comprehensive reform of United States for-
5 eign assistance programs and of the agency primarily re-
6 sponsible for administering part I of the Foreign Assist-
7 ance Act of 1961.

8 **SEC. 102. EVALUATION AND ACCOUNTABILITY.**

9 Section 125 of the Foreign Assistance Act of 1961
10 is amended to read as follows:

11 **“SEC. 125. EVALUATION AND ACCOUNTABILITY.**

12 “(a) NEED FOR EVALUATION.—In order to effec-
13 tively and responsibly manage the resources with which
14 it is provided, the agency primarily responsible for admin-
15 istering this part must have a capacity to evaluate objec-
16 tively the extent of its progress in achieving development
17 results and to derive lessons from its development experi-
18 ence.

19 “(b) ACTIONS TO BE TAKEN.—In furtherance of
20 subsection (a), the President shall establish a program
21 performance, monitoring, and evaluation capacity within
22 the agency primarily responsible for administering this
23 part that will do the following:

24 “(1) Enhance, through training and other
25 means, the use of program performance, monitoring,

1 and evaluation as a management tool, by both the
2 agency and its counterparts in countries receiving
3 assistance, in the planning, designing, and imple-
4 mentation of foreign assistance projects and pro-
5 grams.

6 “(2) Develop a program performance informa-
7 tion system to afford agency managers at all levels
8 a means for monitoring and assessing achievement
9 of impact and interim performance of the agency’s
10 major programs in support of the strategic manage-
11 ment of economic assistance.

12 “(3) Prepare and disseminate objective and
13 periodic reports on the progress of the agency in
14 meeting development objectives and on lessons
15 learned from its development programs.

16 “(4) Strengthen the capacity to utilize the find-
17 ings of program performance, measurement, and
18 evaluation in decisions of the agency about program
19 direction and resource allocation.

20 “(5) Coordinate with the Inspector General of
21 the agency so as to ensure appropriate
22 complementarity of efforts, recognizing that—

23 “(A) it is the responsibility of the agency
24 to direct a system of performance measurement
25 and independent evaluations of its programs

1 and policies, as well as the operational and
2 management systems that affect the develop-
3 ment impact of those programs and policies;
4 and

5 “(B) it is the responsibility of the Inspec-
6 tor General to conduct regular and comprehen-
7 sive assessments and audits of financial man-
8 agement and administrative systems, including
9 the adequacy of the systems for monitoring and
10 evaluating agency projects and programs.

11 “(c) ACCOUNTABILITY.—The President shall prepare
12 an annual report to the Congress as a separate part of
13 the congressional presentation materials of the agency pri-
14 marily responsible for administering this part. This report
15 shall include the following:

16 “(1) An assessment of progress toward the
17 achievement of sustainable development objectives,
18 based on the findings of program performance, mon-
19 itoring, and evaluation studies conducted by the
20 agency and on such other empirical analyses as may
21 be appropriate.

22 “(2) An analysis, on a country-by-country basis,
23 of the impact on economic development in each such
24 country during the preceding 3 to 5 fiscal years of
25 United States economic assistance programs, with a

1 discussion of the United States interests that were
2 served by the assistance. Each country receiving eco-
3 nomic assistance under this part or under the Sup-
4 port for East European Democracy (SEED) Act of
5 1989 shall be included in such an analysis at least
6 once every 5 years. For each country, the analysis
7 shall—

8 “(A) describe the specific objectives the
9 United States sought to achieve in providing
10 economic assistance, and specify the extent to
11 which those objectives were or were not
12 achieved;

13 “(B) to the extent possible, be done on a
14 sector-by-sector basis and identify trends (both
15 favorable and unfavorable) within each sector
16 and, if relevant, identify any economic policy re-
17 forms conducive to sustainable economic growth
18 that were promoted by the assistance and the
19 progress being made by the country in adopting
20 economic policies that foster and enhance the
21 freedom and opportunity of individuals to par-
22 ticipate in economic growth in the country;

23 “(C) as part of the context of United
24 States economic assistance, describe the amount
25 and nature of economic assistance provided by

1 other major donors during the preceding 3 to 5
2 fiscal years, set forth by the development sector
3 to the extent possible; and

4 “(D) contain statistical and other informa-
5 tion necessary to evaluate the impact and effec-
6 tiveness of United States economic assistance
7 on development in the country.”.

8 **SEC. 103. ECONOMIC ASSISTANCE REFORM.**

9 (a) BASIC OBJECTIVES.—Section 102 of the Foreign
10 Assistance Act of 1961 is amended to read as follows:

11 **“SEC. 102. BASIC OBJECTIVES OF ECONOMIC ASSISTANCE**
12 **PROGRAMS AND UNITED STATES DEVELOP-**
13 **MENT COOPERATION POLICY.**

14 “(a) FOUR BASIC OBJECTIVES.—The primary pur-
15 pose of United States economic assistance is the pro-
16 motion of broad based, sustainable, participatory develop-
17 ment, with particular focus on the poor. In pursuit of that
18 purpose, economic assistance programs to the extent speci-
19 fied in this Act, and United States economic cooperation
20 policy generally, shall have the following four basic objec-
21 tives, which are interrelated and mutually reinforcing:

22 “(1) SUSTAINABLE ECONOMIC GROWTH.—Pro-
23 motion of broad based economic growth.

24 “(2) SUSTAINABLE RESOURCE MANAGEMENT.—
25 Improvement of resource management designed to

1 bring about environmentally and economically sus-
2 tainable patterns of development.

3 “(3) POVERTY ALLEVIATION.—Alleviation of
4 the worst manifestations of poverty through the de-
5 velopment of human resource capacity.

6 “(4) DEMOCRACY.—Promotion of democracy,
7 respect for human rights, and social and economic
8 pluralism.

9 “(b) SUSTAINABLE ECONOMIC GROWTH.—

10 “(1) RATIONALE.—Broad based, sustainable
11 economic growth is in the interest of the United
12 States because it permits countries to progress to-
13 ward economic self-reliance, to improve the living
14 standards of their citizens, and to increase inter-
15 national markets for trade and investment. Market-
16 oriented economic growth establishes the basis for
17 sustainable development and reinforces democratic
18 ideals and practices. Successful long-term develop-
19 ment cannot occur without broad based, sustainable
20 economic growth that enables the poor to increase
21 their incomes and access to productive resources and
22 services so that they can satisfy their basic needs
23 and lead lives of decency, dignity, and hope.

24 “(2) ELABORATION ON OBJECTIVE.—(A) Imple-
25 mentation of the objective of promoting broad based

1 economic growth should recognize that economic, so-
2 cial, political, and environmental conditions vary
3 among countries. While taking account of such dif-
4 ferences, the economic assistance programs carried
5 out in furtherance of the four basic objectives set
6 forth in this section shall emphasize the following
7 principles:

8 “(i) Security of economic rights for all citi-
9 zens without regard to sex, race, religion, lan-
10 guage, or social status, including the right to
11 own property, the right to fair return from
12 one’s labor, and the right to engage in produc-
13 tive use of available assets.

14 “(ii) Economic policies based on free mar-
15 ket principles as a means for establishing prices
16 and for allocating goods and services.

17 “(iii) Economic reforms that benefit or are
18 sensitive to and minimize adverse impact on the
19 poor.

20 “(iv) Market base reforms—deregulation,
21 privatization, labor market reform, reduction in
22 barriers to the free flow of trade and invest-
23 ment—which increase the opportunity for all,
24 especially the poor, to participate in economic
25 activity.

1 “(v) Government policies protecting eco-
2 nomic rights, fair and open markets, and the
3 fulfillment of basic human needs.

4 “(vi) Adherence by governments to inter-
5 national economic agreements, particularly
6 those relating to free and fair trade practices
7 and to respect for worker rights.

8 “(B) A primary test of the effectiveness of eco-
9 nomic assistance programs designed to promote
10 broad based economic growth is the extent to which
11 the poor and disenfranchised can participate in and
12 benefit from these programs and are thereby
13 brought into the development process.

14 “(c) SUSTAINABLE RESOURCE MANAGEMENT.—

15 “(1) RATIONALE.—The economic and social
16 well-being and the security of the United States and
17 other countries are affected by how the world’s envi-
18 ronment and physical resource base are managed.
19 Consumption patterns, systems of industrial and ag-
20 ricultural production, demographic trends, and the
21 manner of use of natural resources all impact on the
22 opportunities for long-term development and growth
23 and survival for all countries. Both developed and
24 developing countries share responsibility for the ra-
25 tional and sustainable management of natural re-

1 sources. Responsible management of physical re-
2 sources is necessary to insure the availability of re-
3 sources for future generations and to assure that the
4 burdens of improved resource management do not
5 fall disproportionately on the poor.

6 “(2) ELABORATION OF OBJECTIVE.—(A) Sus-
7 tainable development is development that meets the
8 needs of the present without compromising the abil-
9 ity of future generations to meet their own needs.
10 Economic assistance programs authorized by this
11 title should assist countries to adopt policies and
12 programs that promote ecologically sound patterns
13 of growth. Improved resource management tailored
14 to the conditions and capabilities of the particular
15 developing countries should be an integral part of all
16 planning, programming, and reporting activities with
17 respect to economic assistance.

18 “(B) Sustainable resource management should
19 be promoted through research and through the es-
20 tablishment and implementation of public policies
21 and programs that provide incentives for better long-
22 term management of resources and private and pub-
23 lic investment toward resource-conserving tech-
24 nologies of production in energy, agricultural, and

1 industrial production. To achieve this objective will
2 entail, among other things—

3 “(i) more efficient and resource-conserving
4 systems of sustainable agricultural production,
5 with special emphasis on rain-fed agriculture,
6 maintenance of soil structure and fertility, and
7 minimization of soil erosion and soil and water
8 contamination;

9 “(ii) adoption of appropriate use of fer-
10 tilizer and pesticides;

11 “(iii) greater attention to forestry manage-
12 ment for sustainable yields, agroforestry, refor-
13 estation, and watershed conservation, including
14 better resource monitoring and assessment
15 systems;

16 “(iv) improved water use management, in-
17 cluding watershed protection, sustainable and
18 efficient irrigation projects, and efforts to re-
19 duce costs and improve delivery of potable
20 water and sanitation systems for both urban
21 and rural areas;

22 “(v) more systematic collection, preserva-
23 tion, and sharing of original and evolved plant
24 and animal genetic material, including preserva-
25 tion of ecosystems and natural habitats;

1 “(vi) attention to more efficient manage-
2 ment of existing energy systems, to the pro-
3 motion of increased use of least-cost energy re-
4 source planning procedures, and to the develop-
5 ment of economically viable and more efficient
6 systems of energy production and consumption
7 that seek to maximize resource conservation;

8 “(vii) attention to resource conserving sys-
9 tems of urban development and industrializa-
10 tion that make efficient use of energy and natu-
11 ral resources, minimize the adverse effects of
12 air and water pollution, facilitate safe waste
13 disposal, including toxic wastes, and provide for
14 improved environmental health and safety of
15 the urban and surrounding rural populations;

16 “(viii) efforts to analyze and to reduce
17 man-made contributions to changes in the glob-
18 al climate, including factors that may be con-
19 tributing to global warming in the Earth’s at-
20 mosphere; and

21 “(ix) greater attention to the relationships
22 among demographic pressures, poverty, and en-
23 vironmental degradation.

24 “(C) Growth that is not environmentally sus-
25 tainable cannot be economically sustainable in the

1 long run. Improved resource management is a criti-
2 cal element of a balanced pattern of development.

3 “(d) POVERTY ALLEVIATION.—

4 “(1) RATIONALE.—It is in the interest of the
5 United States to assist developing countries to
6 achieve patterns of growth and development that will
7 measurably and sustainably alleviate the worst mani-
8 festations of poverty in rural and urban areas and
9 allow all people, especially those with low incomes, to
10 lead economically and socially productive lives. As a
11 people endowed with a spirit of humanitarian gener-
12 osity, United States citizens have long demonstrated
13 a moral imperative to help those in need. Further,
14 peace and stability in the world cannot be achieved
15 without economic development that also alleviates
16 the worst manifestations of poverty.

17 “(2) ELABORATION OF OBJECTIVE.—(A) Broad
18 based economic growth is necessary for the allevi-
19 ation of the worst manifestations of poverty. Con-
20 versely, neither growth nor the alleviation of poverty
21 can be sustained unless all people, especially the
22 poor, have the basic assets and capabilities that fos-
23 ter the exercise of choice and participation in the
24 economic, social, and political life of the country.
25 Women, female children, and children of poor people

1 have been especially disadvantaged in their access to
2 these assets. Governments, together with nongovern-
3 mental organizations and international and multilat-
4 eral organizations, should give special attention to
5 alleviating the worst manifestations of poverty
6 among these groups. Long-term poverty alleviation
7 depends on patterns of broad based economic growth
8 and the productivity generated by investments in the
9 expansion of human well-being, capacity, and choice.

10 “(B) To achieve the objective of alleviating the
11 worst manifestations of poverty will entail, among
12 other things—

13 “(i) the expansion of education to all seg-
14 ments of the society, with particular attention
15 to universal access to basic education, to sus-
16 tainable improvement in the quality and diver-
17 sity of educational opportunity, and to female
18 education at all age levels;

19 “(ii) improvement in coverage, quality, and
20 sustainability of health services, with special
21 emphasis on universal access to primary health
22 care, epidemiological detection and prevention
23 programs, and sustainable systems of health
24 care for mothers and children;

1 “(iii) a consistent program of support for
2 systematic expansion of voluntary family plan-
3 ning services, with special emphasis on the role
4 of the private voluntary and commercial sectors
5 as providers of such services and on the devel-
6 opment of more effective, acceptable family
7 planning technologies appropriate to the condi-
8 tions of developing countries;

9 “(iv) support for activities that enhance se-
10 cure access of all to adequate food and nutri-
11 tion derived from sustainable agricultural pro-
12 duction, including the effectiveness and develop-
13 ment contribution of food assistance made
14 available under the Agricultural Trade Develop-
15 ment and Assistance Act of 1954 and other
16 food assistance programs; and

17 “(v) support for activities that enhance
18 universal access to safe drinking water, basic
19 sanitation, and basic shelter necessary for
20 health.

21 “(e) DEMOCRACY.—

22 “(1) RATIONALE.—The promotion of democracy
23 throughout the world is in the basic interest of the
24 United States. Democratic development, political
25 pluralism, and respect for internationally recognized

1 human rights are intrinsically linked to economic
2 and social progress. Democracy can only be sus-
3 tained in a society in which the legitimacy of the
4 government rests firmly on the expressed consent of
5 the governed; the rights of all citizens, including mi-
6 norities, are respected and protected; and there is ef-
7 fective civilian control over the military and security
8 forces. It is in the interest of the United States and
9 in keeping with our democratic traditions to support
10 democratic aspirations and values, foster the spread
11 of democratic institutions, and encourage universal
12 respect for civil and political liberties.

13 “(2) ELABORATION ON OBJECTIVE.—(A) Fur-
14 therance of the basic objective of democracy requires
15 that the United States promote—

16 “(i) the ability of all citizens of a country
17 to organize and associate freely and independ-
18 ently of the government;

19 “(ii) the ability of all citizens to freely
20 choose their government, to hold that govern-
21 ment accountable, and to participate in political
22 life;

23 “(iii) increased respect for internationally
24 recognized human rights and the rule of law;

1 “(iv) respect for the diversity among the
2 citizens of a country; and

3 “(v) acceptance of and respect for civilian
4 authority by all elements of society.

5 “(B) An essential ingredient of development is
6 the growth of indigenous nongovernmental organiza-
7 tions that are committed to democratic values and
8 active in the promotion of democracy. United States
9 efforts to foster democratic pluralism and build
10 democratic institutions are most likely to create en-
11 during bonds of democratic cooperation when United
12 States nongovernmental organizations are involved
13 in strengthening the capacity of nongovernmental or-
14 ganizations in other countries.

15 “(C) Democracy requires honest and open
16 participatory government. United States assistance
17 should help governments to establish processes of ac-
18 countability and transparency to eliminate corrup-
19 tion and abuses of power and assist nongovern-
20 mental organizations to develop the capability to
21 monitor the government’s performance.

22 “(D) With regard to economic assistance under
23 this Act or the Support for East European Democ-
24 racy (SEED) Act of 1989 for countries that are in
25 transition from communism to democracy, it shall be

1 the policy of the United States, to the extent fea-
2 sible, to provide assistance directly to democratically
3 elected governments of states whose incorporation
4 into the Union of Soviet Socialist Republics has
5 never been recognized by the United States: *Pro-*
6 *vided*, That economic assistance to Yugoslavia other-
7 wise authorized by law shall not be prohibited as a
8 consequence of this provision. As used in this sub-
9 paragraph, the term ‘democratically elected’ means
10 elected through open, free, and fair elections. Noth-
11 ing in this paragraph shall be construed to preclude
12 assistance to agencies of such federal governments
13 that promote democratic reforms, human rights, the
14 rule of law, and/or market oriented reforms, pro-
15 vided that funds are not provided directly to any
16 such agency.

17 “(f) EFFECTIVE USES OF ASSISTANCE.—

18 “(1) BENEFICIARY COUNTRIES.—Assistance
19 furnished under this title should be concentrated in
20 countries that will make the most effective use of
21 that assistance in promoting the four basic objec-
22 tives set forth in subsection (a).

23 “(2) ASSISTANCE WITHIN COUNTRIES.—Activi-
24 ties should be undertaken in regions of recipient
25 countries that offer potential for successful develop-

1 ment and should not be undertaken if the relevant
2 sector or national economic policies of the country
3 are clearly unfavorable to the sustainability or
4 broadest possible impact of the assisted program or
5 project.

6 “(3) TYPES OF ACTIVITIES.—Assistance should
7 focus on those types of activities that the United
8 States can provide most effectively.”.

9 (b) REPEAL OF DEVELOPMENT ASSISTANCE AU-
10 THORITIES.—Effective October 1, 1995, sections 103
11 through 107 of the Foreign Assistance Act of 1961 are
12 repealed.

13 **TITLE II—AUTHORIZATIONS FOR**
14 **FOREIGN ASSISTANCE PROGRAMS**

15 **SEC. 1201. AUTHORIZATIONS OF APPROPRIATIONS FOR FIS-**
16 **CAL YEAR 1994.**

17 (a) ECONOMIC ASSISTANCE.—There are authorized
18 to be appropriated for fiscal year 1994 the following
19 amounts for the following purposes:

20 (1) DEVELOPMENT ASSISTANCE FUND.—
21 \$850,000,000 to carry out sections 103 through 106
22 of the Foreign Assistance Act of 1961.

23 (2) POPULATION, DEVELOPMENT ASSIST-
24 ANCE.—\$395,000,000 to carry out section 104(b) of
25 the Foreign Assistance Act of 1961.

1 (3) DEVELOPMENT FUND FOR AFRICA.—
2 \$900,000,000 to carry out chapter 10 of part I of
3 the Foreign Assistance Act of 1961.

4 (4) INTERNATIONAL DISASTER ASSISTANCE.—
5 \$148,965,000 to carry out section 491 of the For-
6 eign Assistance Act of 1961.

7 (5) AMERICAN SCHOOLS AND HOSPITALS.—
8 \$35,000,000 to carry out section 214 of the Foreign
9 Assistance Act of 1961.

10 (6) MULTILATERAL ASSISTANCE INITIATIVE
11 FOR THE PHILIPPINES.—\$30,000,000 for assistance
12 for the Philippines under chapter 4 of part I of the
13 Foreign Assistance Act of 1961.

14 (7) ASSISTANCE FOR EASTERN EUROPE AND
15 THE BALTIC STATES.—\$400,000,000 for economic
16 assistance for Eastern Europe and the Baltic states
17 under the Foreign Assistance Act of 1961 and the
18 Support for East European Democracy (SEED) Act
19 of 1989.

20 (8) ASSISTANCE FOR THE INDEPENDENT
21 STATES OF THE FORMER SOVIET UNION.—
22 \$903,820,000 to carry out chapter 11 of part I of
23 the Foreign Assistance Act of 1961 and to carry out
24 exchanges and training and similar programs under
25 section 807 of the Freedom for Russia and Emerg-

1 ing Eurasian Democracies and Open Markets Sup-
2 port Act of 1992.

3 (9) INTER-AMERICAN FOUNDATION.—
4 \$30,960,000 to carry out section 401 of the Foreign
5 Assistance Act of 1969.

6 (10) AFRICAN DEVELOPMENT FOUNDATION.—
7 \$18,000,000 to carry out the African Development
8 Foundation Act.

9 (11) INTERNATIONAL FUND FOR IRELAND.—
10 \$19,600,000 to carry out part I of the Foreign As-
11 sistance Act of 1961, which shall be available for the
12 United States contribution to the International
13 Fund for Ireland in accordance with the Anglo-Irish
14 Agreement Support Act of 1986. Amounts appro-
15 priated under this paragraph are authorized to re-
16 main available until expended.

17 (b) SECURITY ASSISTANCE.—There are authorized to
18 be appropriated for fiscal year 1994 the following amounts
19 for the following purposes:

20 (1) FOREIGN MILITARY FINANCING PROGRAM
21 GRANTS.—\$3,200,000,000 for grants under section
22 23 of the Arms Export Control Act. Funds made
23 available under this paragraph shall be nonrepayable
24 notwithstanding any requirement of that section.

1 (2) FOREIGN MILITARY FINANCING PROGRAM
2 LOANS.—\$57,000,000 for the cost (as defined in
3 section 502(5) of the Federal Credit Reform Act of
4 1990) of loans under section 23 of the Arms Export
5 Control Act.

6 (3) ECONOMIC SUPPORT FUND.—
7 \$2,424,400,000 to carry out chapter 4 of part II of
8 the Foreign Assistance Act of 1961.

9 (4) INTERNATIONAL MILITARY EDUCATION AND
10 TRAINING.—\$40,000,000 to carry out chapter 5 of
11 part II of the Foreign Assistance Act of 1961.

12 (5) ANTI-TERRORISM ASSISTANCE.—
13 \$15,555,000 to carry out chapter 8 of part II of the
14 Foreign Assistance Act of 1961.

15 (6) NONPROLIFERATION AND DISARMAMENT
16 FUND.—\$25,000,000 to carry out section 504 of the
17 Freedom for Russia and Emerging Eurasian Democ-
18 racies and Open Markets Support Act of 1992.

19 (c) PEACE CORPS.—There are authorized to be ap-
20 propriated \$219,745,000 for fiscal year 1994 to carry out
21 the Peace Corps Act.

22 (d) REDUCTION IN PREVIOUSLY ENACTED AUTHOR-
23 IZATION FOR INTERNATIONAL NARCOTICS CONTROL AS-
24 SISTANCE.—Section 482(a)(1) of the Foreign Assistance

1 Act of 1961 is amended by striking “\$171,500,000” and
2 inserting “\$135,000,000”.

3 (e) RULE OF CONSTRUCTION.—In order to ensure
4 that all otherwise applicable authorities, restrictions, and
5 other provisions of law apply with respect to the amounts
6 that are authorized to be appropriated by this section for
7 fiscal year 1994, those amounts shall be deemed to be au-
8 thorized to be appropriated by the provision of the Foreign
9 Assistance Act of 1961 or other Act that provided the cor-
10 responding authorization of appropriations for prior fiscal
11 years.

12 (f) REDUCTION IN AUTHORIZATIONS.—The amount
13 appropriated for fiscal year 1994 pursuant to the author-
14 izations of appropriation in this title may not exceed the
15 amount which is \$360,000,000 less than the sum of the
16 specified authorization amounts for that fiscal year.

17 **SEC. 202. CHILD SURVIVAL ACTIVITIES AND VITAMIN A DE-**
18 **FICIENCY PROGRAM AND RELATED ACTIVI-**
19 **TIES.**

20 (a) CHILD SURVIVAL ACTIVITIES.—The Congress ex-
21 pects that not less than \$275,000,000 of the funds made
22 available for fiscal year 1994 to carry out part I of the
23 Foreign Assistance Act of 1961 (relating to development
24 and other economic assistance) will be used for child sur-
25 vival activities.

1 (b) VITAMIN A DEFICIENCY PROGRAM AND RELATED
2 ACTIVITIES.—The Congress expects that not less than
3 \$25,000,000 of the funds made available for fiscal year
4 1994 to carry out sections 103 through 106 of the Foreign
5 Assistance Act of 1961 (relating to development assist-
6 ance) will be made available for the Vitamin A Deficiency
7 Program and activities relating to iodine deficiency and
8 other micro-nutrients.

9 **SEC. 203. HOUSING GUARANTEE PROGRAM.**

10 (a) AUTHORIZATIONS.—

11 (1) COST OF GUARANTEED LOANS.—There are
12 authorized to be appropriated \$16,407,000 for fiscal
13 year 1994 for the cost (as defined in section 502(5)
14 of the Federal Credit Reform Act of 1990) of guar-
15 anteed loans under sections 221 and 222 of the For-
16 eign Assistance Act of 1961.

17 (2) PROGRAM CEILING.—Section 222(a) of that
18 Act is amended by striking “\$2,558,000,000” in the
19 second sentence and inserting “\$3,000,000,000”.

20 (3) PROGRAM EXPIRATION DATE.—Section
21 222(a) of that Act is amended by striking “1992”
22 in the third sentence and inserting “1995”.

23 (4) ADMINISTRATIVE EXPENSES.—(A) There
24 are authorized to be appropriated \$8,407,000 for
25 fiscal year 1994 for administrative expenses to carry

1 out guaranteed loan programs under sections 221
2 and 222 of that Act. Amounts appropriated under
3 this paragraph are authorized to remain available
4 until expended.

5 (B) Amounts appropriated under this para-
6 graph may be transferred to and merged with the
7 appropriations for “Operating Expenses of the
8 Agency for International Development”.

9 (b) PREFERENTIAL TREATMENT TO PROJECTS IN
10 POORER COUNTRIES.—Section 222 of the Foreign Assist-
11 ance Act of 1961 is amended—

12 (1) by redesignating subsection (k) as sub-
13 section (e); and

14 (2) by inserting after subsection (c) the follow-
15 ing:

16 “(d) PREFERENTIAL CONSIDERATION TO PROJECTS
17 IN POORER COUNTRIES.—In issuing guarantees under
18 this section and in carrying out related activities, the
19 President shall give preferential consideration to projects
20 in countries with an annual per capita income of \$1,196
21 or less in 1991 United States dollars, and shall restrict
22 guarantees and related activities for projects in countries
23 with an annual per capita income of \$5,190 or more in
24 1991 United States dollars.”.

25 (c) FEE INCREASE.—

1 (1) STUDY.—The administrator of the agency
2 primarily responsible for administering part I of the
3 Foreign Assistance Act of 1961—

4 (A) shall conduct a study to determine the
5 feasibility of increasing the fees charged pursu-
6 ant to section 223(a) of that Act for guarantees
7 issued under sections 221 and 222 of that Act
8 in an effort to reduce the costs (as defined in
9 section 502(5) of the Federal Credit Reform
10 Act of 1990) of the guarantee program; and

11 (B) shall submit the results of this study
12 to the Committee on Foreign Affairs of the
13 House of Representatives and the Committee
14 on Foreign Relations of the Senate not later
15 than 6 months after the date of enactment of
16 this Act.

17 (2) POLICY.—The administrator should in-
18 crease the fees described in paragraph (1)(A) to the
19 extent determined to be feasible in the study con-
20 ducted pursuant to this subsection.

21 **SEC. 204. OVERSEAS PRIVATE INVESTMENT CORPORATION.**

22 (a) PROGRAM AUTHORIZATION OF FISCAL YEAR
23 1995.—Section 235(a) of the Foreign Assistance Act of
24 1961 is amended—

1 (1) in paragraph (1) by striking
2 “\$9,000,000,000” and inserting “\$10,000,000,000”;

3 (2) in paragraph (2)(A) by striking
4 “\$2,500,000,000” and inserting “\$3,500,000,000”;
5 and

6 (3) in paragraph (2)(B)—

7 (A) by striking “and” at the end of clause
8 (i);

9 (B) by striking the period at the end of
10 clause (ii) and inserting “; and”; and

11 (C) by inserting after clause (ii) the follow-
12 ing:

13 “(iii) to transfer such sums as are nec-
14 essary from its noncredit account revolving
15 fund to pay for the subsidy cost of a program
16 level for the loan and loan guarantee program
17 under subsections (b) and (c) of section 234 of
18 \$1,000,000,000 for fiscal year 1995.”.

19 (b) TERMINATION DATE.—Section 235(a)(3) of that
20 Act is amended by striking “1994” and inserting “1995”.

21 (c) ADMINISTRATIVE EXPENSES.—Section 235(g) of
22 that Act is amended—

23 (1) in paragraph (1) by striking “and”;

24 (2) in paragraph (2) by striking the period and
25 inserting “; and”; and

1 (3) by adding at the end the following:

2 “(3) \$15,000,000 for fiscal year 1995.”.

3 **SEC. 205. SPECIAL DEBT REDUCTION AUTHORITY.**

4 (a) **AUTHORITY TO REDUCE DEBT.**—Notwithstand-
5 ing any other provision of law (other than the Federal
6 Credit Reform Act of 1990), the President may reduce
7 amounts of principal and interest owed to the United
8 States (or any agency of the United States) by an eligible
9 country as a result of—

10 (1) guarantees issued under sections 221 and
11 222 of the Foreign Assistance Act of 1961; or

12 (2) credits extended or guarantees issued under
13 the Arms Export Control Act.

14 (b) **IMPLEMENTATION OF PARIS CLUB DEBT REDUC-**
15 **TION.**—The authority provided by this section may be ex-
16 ercised only to implement the multilateral official debt re-
17 lief ad referendum agreements that are commonly referred
18 to as “Paris Club Agreed Minutes”.

19 (c) **APPROPRIATIONS REQUIREMENT.**—The authority
20 provided by this section may be exercised only in such
21 amounts or to such extent as is provided in advance by
22 appropriations Acts in accordance with the requirements
23 of the Federal Credit Reform Act of 1990.

1 (d) ELIGIBLE COUNTRIES.—For purposes of this sec-
2 tion, the term “eligible country” means a country that the
3 President determines—

4 (1) has a heavy debt burden; and

5 (2) is eligible to borrow from the International
6 Development Association but not from the Inter-
7 national Bank for Reconstruction and Development
8 (commonly referred to as an “IDA-only” country).

9 **SEC. 206. SPECIAL DEFENSE ACQUISITION FUND.**

10 (a) DECAPITALIZATION.—Notwithstanding section
11 51(b) of the Arms Export Control Act, collections de-
12 scribed in that section that are in excess of obligational
13 authority provided in foreign operations, export financing,
14 and related appropriations Acts for fiscal years prior to
15 fiscal year 1994 shall be deposited in the Treasury as mis-
16 cellaneous receipts.

17 (b) AVOIDANCE OF DUPLICATIVE PROVISIONS.—Sub-
18 section (a) shall not apply if the Foreign Operations, Ex-
19 port Financing, and Related Programs Appropriations
20 Act, 1994, contains an identical requirement.

21 **TITLE III—REGIONAL PROVISIONS**

22 **SEC. 301. SUB-SAHARAN AFRICA DISASTER ASSISTANCE.**

23 The Congress expects that not less than
24 \$100,000,000 of the funds made available for fiscal year
25 1994 to carry out section 491 of the Foreign Assistance

1 Act of 1961 (relating to international disaster assistance)
2 will be used for disaster relief, rehabilitation, and recon-
3 struction assistance for sub-Saharan Africa.

4 **SEC. 302. AFRICAN DEVELOPMENT FOUNDATION.**

5 (a) CEILING ON ASSISTANCE FOR A PROJECT.—Sec-
6 tion 505(a)(2) of the African Development Foundation
7 Act is amended by adding at the end the following: “In
8 exceptional circumstances, the board of directors of the
9 Foundation may waive such dollar limitation with respect
10 to a project. Any such waivers shall be reported to the
11 Congress annually.”.

12 (b) AUTHORITY TO EMPLOY ALIENS.—Section
13 506(a) of that Act is amended—

14 (1) by redesignating paragraphs (8) through
15 (12) as paragraphs (9) through (13), respectively;
16 and

17 (2) by inserting after paragraph (7) the follow-
18 ing:

19 “(8) when determined by the president of the
20 Foundation to be necessary (but subject to the limi-
21 tation established by paragraph (7) on the number
22 of Foundation employees), may employ persons who
23 are not citizens of the United States notwithstand-
24 ing any provision of law that would otherwise pro-
25 hibit the use of appropriated funds to pay the com-

1 pensation of officers or employees of the Government
2 who are not citizens of the United States;”.

3 (c) TRAVEL EXPENSES.—

4 (1) MEMBERS OF BOARD.—Section 507(b) of
5 that Act is amended by striking “actual and nec-
6 essary expenses not exceeding \$100 per day, and for
7 transportation expenses,” and inserting “travel ex-
8 penses, including per diem in lieu of subsistence, in
9 accordance with section 5703 of title 5, United
10 States Code,”.

11 (2) CONFORMING AMENDMENT.—Section
12 507(e)(3) of that Act is amended by striking “and
13 other expenses” and inserting “expenses, including
14 per diem in lieu of subsistence,”.

15 (d) INTEREST ACCRUING TO GRANTEES.—

16 (1) AUTHORITY TO RETAIN.—The African De-
17 velopment Foundation Act is amended by adding at
18 the end the following:

19 **“SEC. 511. INTEREST ACCRUING TO GRANTEES.**

20 “When, with the permission of the Foundation, funds
21 made available to a grantee under this title are invested
22 pending disbursement, the resulting interest is not re-
23 quired to be deposited in the United States Treasury if
24 the grantee uses the resulting interest for the purpose for
25 which the grant was made.”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) applies to both interest earned be-
3 fore and interest earned after the date of enactment
4 of this Act.

5 **SEC. 303. CONFLICT RESOLUTION INITIATIVE FOR AFRICA.**

6 (a) IMPROVING OAU’S CONFLICT RESOLUTION CA-
7 PABILITIES.—

8 (1) DESCRIPTION OF ASSISTANCE.—The Presi-
9 dent is authorized to provide assistance to help es-
10 tablish a permanent conflict resolution capability
11 within the Organization of African Unity (referred
12 to in this subsection as the “OAU”), as follows:

13 (A) Funds may be provided to the OAU
14 for use in supporting its conflict resolution
15 capability.

16 (B) Funds may be used for expenses of
17 sending individuals with expertise in conflict
18 resolution (who may include United States Gov-
19 ernment employees) from the United States to
20 work with the OAU for a period of up to 2
21 years.

22 (C) Funds may be provided to the OAU to
23 support the establishment and maintenance of
24 an African Conflict Resolution Research Center
25 that is linked to the OAU secretariat.

1 (2) FUNDING.—Of the funds that are allocated
2 for sub-Saharan Africa, not less than \$1,500,000 for
3 each of the fiscal years 1994 through 1998 should
4 be used to carry out paragraph (1), in addition to
5 funds otherwise available for such purpose.

6 (3) REQUIREMENT FOR APPROVAL OF CERTAIN
7 REFORMS.—Assistance may be provided pursuant to
8 this subsection only if the President determines that
9 the OAU has approved and is in the process of im-
10 plementing the reforms proposed by the Secretary
11 General of the OAU in February 1993 in the In-
12 terim Report of the Secretary General on the Mech-
13 anisms for Conflict Prevention, Resolution and
14 Management.

15 (b) IMPROVING CONFLICT RESOLUTION CAPABILI-
16 TIES OF MULTILATERAL SUBREGIONAL ORGANIZA-
17 TIONS.—

18 (1) TYPES OF ASSISTANCE TO BE PROVIDED.—
19 The President is authorized to provide assistance to
20 help establish permanent conflict resolution capabili-
21 ties within subregional organizations established by
22 countries in sub-Saharan Africa, as follows:

23 (A) Funds may be provided to such an or-
24 ganization for use in supporting its conflict res-
25 olution capability.

1 (B) Funds may be used for the expenses of
2 sending individuals with expertise in conflict
3 resolution (who may include United States Gov-
4 ernment employees) from the United States to
5 work with such an organization for a period of
6 up to 2 years.

7 (2) FUNDING.—Of the funds that are allocated
8 for sub-Saharan Africa under chapter 4 of part II
9 of the Foreign Assistance Act of 1961 (relating to
10 the economic support fund), up to \$1,500,000 for
11 each of the fiscal years 1994 through 1998 may be
12 used to carry out paragraph (1).

13 (c) AFRICAN DEMOBILIZATION AND RETRAINING
14 PROGRAM.—

15 (1) IN GENERAL.—In order to facilitate reduc-
16 tions in the size of the armed forces of countries of
17 sub-Saharan Africa, the President is authorized to
18 provide assistance for—

19 (A) encampment and related activities as-
20 sociated with demobilization of such forces, and

21 (B) the retraining for civilian occupations
22 of military personnel who have been demobi-
23 lized.

24 (2) FUNDING.—(A) Of the funds that are allo-
25 cated for sub-Saharan Africa under chapter 4 of

1 part II of the Foreign Assistance Act of 1961 (relat-
2 ing to the economic support fund) and under the
3 “Foreign Military Financing Program” account
4 under section 23 of the Arms Export Control Act,
5 \$10,000,000 for fiscal year 1994 should be used for
6 the assistance described in paragraph (1)(A).

7 (B) A portion of the funds made available for
8 fiscal year 1994 to carry out chapter 10 of part I
9 of the Foreign Assistance Act of 1961 (relating to
10 the Development Fund for Africa) may be used for
11 the assistance described in paragraph (1)(B).

12 (d) IMET CONFLICT RESOLUTION PROGRAM.—
13 Chapter 5 of part II of the Foreign Assistance Act of 1961
14 is amended by adding at the end the following:

15 **“SEC. 546. CONFLICT RESOLUTION PROGRAM FOR AFRICA.**

16 “In addition to the other education and training ac-
17 tivities carried out under this chapter, the President is au-
18 thorized to establish a program to provide education and
19 training in conflict resolution for civilian and military per-
20 sonnel of countries in sub-Saharan Africa.”.

21 **SEC. 304. SADC PROJECTS.**

22 (a) WAIVER OF BROOKE AMENDMENT.—Section
23 620(q) of the Foreign Assistance Act of 1961 and the cor-
24 responding section of the Foreign Operations, Export Fi-
25 nancing, and Related Programs Appropriations Act, 1994,

1 shall not apply with respect to assistance provided for fis-
2 cal year 1994 under section 496(o) of the Foreign Assist-
3 ance Act of 1961 (relating to support for SADC projects).

4 (b) TECHNICAL AMENDMENT.—Section 496(o) of the
5 Foreign Assistance Act of 1961 is amended—

6 (1) in the subsection heading by striking
7 “SADCC” and inserting “SADC”; and

8 (2) in paragraph (1) by striking “Coordination
9 Conference (SADCC)” and inserting “Community
10 (SADC)”.

11 **SEC. 305. SOUTH AFRICA.**

12 (a) REMOVAL OF CEILINGS ON GRANTS FOR HUMAN
13 RIGHTS PROJECTS.—Section 116 of Foreign Assistance
14 Act of 1961 is amended—

15 (1) by repealing subparagraphs (C) and (D) of
16 subsection (e)(2); and

17 (2) in subsection (f)—

18 (A) by repealing paragraph (2), and

19 (B) by striking “(f)(1)” and inserting
20 “(f)” and by redesignating subparagraphs (A)
21 through (E) as paragraphs (1) through (5),
22 respectively.

23 (b) EXCEPTION TO LIMITATION ON ASSISTANCE RE-
24 CIPIENTS.—

1 (1) ASSISTANCE UNDER SECTION 116.—Section
2 116(e)(2)(B) of that Act is amended—

3 (A) in the fourth sentence, by striking “or
4 to organizations financed or controlled by the
5 Government of South Africa”; and

6 (B) by adding at the end the following: “A
7 nongovernmental organization financed or con-
8 trolled by the Government of South Africa that
9 meets the criteria specified in this subpara-
10 graph may receive assistance under this para-
11 graph only if the President determines that (i)
12 the activities of that organization further the
13 purposes of the establishment of a non-racial
14 democratic state in South Africa, (ii) the provi-
15 sion of assistance to that organization will fur-
16 ther the objective of this paragraph to assist
17 disadvantaged South Africans, and (iii) the
18 Government of South Africa is continuing to
19 make progress toward dismantling apartheid
20 and establishing a nonracial democracy. Before
21 making such determinations, the President shall
22 consult with the appropriate congressional com-
23 mittees and with South African organizations
24 that are representative of the majority popu-
25 lation of South Africa and should seek a com-

1 mitment from the Government of South Africa
2 that it will provide additional resources to meet
3 the needs of disadvantaged South Africans. As
4 used in the preceding sentence, the term ‘appro-
5 priate congressional committees’ means the
6 Committee on Foreign Affairs and the Commit-
7 tee on Appropriations of the House of Rep-
8 resentatives and the Committee on Foreign Re-
9 lations and the Committee on Appropriations of
10 the Senate.”.

11 (2) ASSISTANCE UNDER SECTION 117.—Section
12 117 of that Act (as added by section 201(b) of the
13 Comprehensive Anti-Apartheid Act of 1986) is
14 amended by adding at the end the following: “In ad-
15 dition, a nongovernmental organization that meets
16 the criteria specified in the first 2 sentences of this
17 section but receives funds from the Government of
18 South Africa may receive assistance under this sec-
19 tion if the President determines that such organiza-
20 tion meets the requirements of the 5th sentence of
21 section 116(e)(2)(B), and such determination is
22 made in accordance with the 6th sentence of such
23 section.”.

1 **SEC. 306. SUDAN.**

2 (a) STATEMENT OF THE CONGRESS.—The Con-
3 gress—

4 (1) strongly condemns the Government of
5 Sudan for its severe human rights abuses and calls
6 upon that government to improve human rights con-
7 ditions throughout the country;

8 (2) deplores the internecine fighting among the
9 factions of the Sudanese People's Liberation Army;

10 (3) urges the Government of Sudan and the
11 factions of the Sudanese People's Liberation Army
12 to provide full access for and to cooperate with relief
13 organizations;

14 (4) encourages the Government of Sudan to lift
15 the press ban which was imposed after it took power
16 in June 1989; and

17 (5) calls on the Government of Sudan to estab-
18 lish a democratic system.

19 (b) RESTRICTIONS ON ASSISTANCE.—Except as pro-
20 vided in subsection (c), assistance may not be provided
21 for Sudan for fiscal year 1994—

22 (1) under chapter 1 or chapter 10 of part I of
23 the Foreign Assistance Act of 1961 (relating to de-
24 velopment assistance and the Development Fund for
25 Africa),

1 (2) under chapter 4 of part II of that Act (re-
2 lating to the economic support fund),

3 (3) under chapter 5 of part II of that Act (re-
4 lating to international military education and train-
5 ing), or

6 (4) from the “Foreign Military Financing Pro-
7 gram” account under section 23 of the Arms Export
8 Control Act.

9 (c) WAIVER OF RESTRICTIONS.—

10 (1) AUTHORIZATION.—The President may
11 waive the prohibitions in subsection (b) if the Presi-
12 dent determines, and reports in accordance with
13 paragraph (2), that there is substantial progress in
14 southern Sudan toward respecting human rights, re-
15 solving the conflict in that region, establishing a
16 democratically elected government, and establishing
17 a reformed and independent judiciary system.

18 (2) CONGRESSIONAL REVIEW OF DETERMINA-
19 TION.—A determination under paragraph (1) shall
20 not become effective until 15 days after it is re-
21 ported to the congressional committees specified in
22 section 634A(a) of the Foreign Assistance Act of
23 1961 in accordance with the procedures applicable to
24 reprogramming notifications under that section.

1 **SEC. 307. ZAIRE.**

2 (a) STATEMENT OF THE CONGRESS.—The Con-
3 gress—

4 (1) strongly condemns the disruptive measures
5 taken by President Mobutu in recent months, and
6 holds President Mobutu responsible for the current
7 political crisis in Zaire;

8 (2) stresses the importance of a successful tran-
9 sition to democracy in Zaire;

10 (3) urges the President of the United States to
11 pressure President Mobutu to leave Zaire so that the
12 legitimate transitional government can proceed with
13 the process of democratization as mandated by the
14 Sovereign National Conference;

15 (4) urges the President of the United States to
16 impose, in conjunction with our allies, a variety of
17 sanctions on President Mobutu, including—

18 (A) freezing the bank accounts of Presi-
19 dent Mobutu, his family and associates;

20 (B) denying visas to President Mobutu, his
21 family and associates; and

22 (C) expelling Mobutu's ambassador;

23 (5) congratulates the people of Zaire for their
24 courageous support of democracy in the face of pow-
25 erful opposition; and

1 (6) expresses its readiness to explore further
2 ways of providing support for democracy and politi-
3 cal pluralism in Zaire.

4 (b) RESTRICTIONS ON ASSISTANCE.—

5 (1) SECURITY ASSISTANCE.—Except as pro-
6 vided in subsection (c), assistance may not be pro-
7 vided for Zaire for fiscal year 1994—

8 (A) under chapter 4 of part II of the For-
9 eign Assistance Act of 1961 (relating to the
10 economic support fund),

11 (B) under chapter 5 of part II of that Act
12 (relating to international military education and
13 training), or

14 (C) from the “Foreign Military Financing
15 Program” account under section 23 of the
16 Arms Export Control Act.

17 (2) DEVELOPMENT ASSISTANCE.—Except as
18 provided in subsection (c), assistance under chapter
19 1 or chapter 10 of part I of the Foreign Assistance
20 Act of 1961 (relating to development assistance and
21 the Development Fund for Africa) for fiscal year
22 1994 shall not be transferred to the Government of
23 Zaire. This paragraph does not prohibit nongovern-
24 mental organizations from working with appropriate

1 ministries or departments of the Government of
2 Zaire.

3 (c) WAIVER WHEN THE DEMOCRATIC PROCESS IS
4 RESTORED.—

5 (1) AUTHORIZATION.—The President may
6 waive the prohibitions in subsection (b) if the Presi-
7 dent determines, and reports in accordance with
8 paragraph (2), that democracy has been restored in
9 Zaire, that President Mobutu is no longer a threat
10 to the elected government, and that the elected gov-
11 ernment is committed to bringing about freedom of
12 expression for the people of Zaire, a reformed and
13 independent judiciary, and reform of, and applica-
14 tions of the rule of law to, Zaire security forces.

15 (2) CONGRESSIONAL REVIEW OF DETERMINA-
16 TION.—A determination under paragraph (1) shall
17 not become effective until 15 days after it is re-
18 ported to the congressional committees specified in
19 section 634A(a) of the Foreign Assistance Act of
20 1961 in accordance with the procedures applicable to
21 reprogramming notifications under that section.

22 **SEC. 308. AFGHANISTAN HUMANITARIAN ASSISTANCE.**

23 (a) AUTHORIZATION.—Funds described in subsection
24 (c) may be made available for the provision of food, medi-

1 cine, or other humanitarian assistance to the Afghan peo-
2 ple notwithstanding any other provision of law.

3 (b) ASSISTANCE FOR AFGHAN WOMEN AND GIRLS.—

4 In carrying out this section, the administrator of the agen-
5 cy primarily responsible for carrying out part I of the For-
6 eign Assistance Act of 1961 shall ensure that an equitable
7 portion of the funds is made available to benefit Afghan
8 women and girls, particularly in programs in refugee
9 camps in Pakistan and in reconstruction projects in
10 Afghanistan.

11 (c) FUNDING.—Up to \$20,000,000 of the aggregate
12 amount of funds made available for fiscal year 1994 to
13 carry out chapter 1 of part I of the Foreign Assistance
14 Act of 1961 (relating to development assistance) and
15 chapter 4 of part II of that Act (relating to the economic
16 support fund) may be used pursuant to this section.

17 **SEC. 309. MULTILATERAL ASSISTANCE INITIATIVE FOR THE**
18 **PHILIPPINES.**

19 Part I of the Foreign Assistance Act of 1961 is
20 amended by inserting after chapter 3 the following:

21 “Chapter 4—Multilateral Assistance Initiative for the
22 Philippines

23 **“SEC. 401. AUTHORIZATION OF ASSISTANCE.**

24 “(a) AUTHORIZATION.—The President is authorized
25 to provide economic assistance for the Philippines under

1 the ‘Multilateral Assistance Initiative’ account. Such as-
2 sistance shall be provided on such terms and conditions
3 as the President may determine.

4 “(b) AUTHORIZATION FOR EXTENDED PERIOD OF
5 AVAILABILITY.—Amounts appropriated to carry out this
6 chapter are authorized to remain available until
7 expended.”.

8 **SEC. 310. ASSISTANCE FOR EASTERN EUROPE AND THE**
9 **BALTICS.**

10 (a) ECONOMIC ASSISTANCE.—Section 3 of the Sup-
11 port for East European Democracy (SEED) Act of 1989
12 is amended—

13 (1) by redesignating subsection (c) as sub-
14 section (e); and

15 (2) by inserting after subsection (b) the follow-
16 ing:

17 “(c) INAPPLICABILITY OF RESTRICTIONS AND RE-
18 QUIREMENTS.—Assistance provided for an East European
19 country under this Act or under part I of the Foreign As-
20 sistance Act of 1961 may be provided notwithstanding any
21 other provision of law, other than section 634A(a) of that
22 Act. Section 634A(a) of that Act shall also apply to funds
23 made available to carry out this Act.

24 “(d) AUTHORIZATION FOR EXTENDED PERIOD OF
25 AVAILABILITY.—Amounts appropriated for economic as-

1 sistance for East European countries under this Act or
2 the Foreign Assistance Act of 1961 are authorized to re-
3 main available until expended.”.

4 (b) ASSISTANCE FOR VICTIMS OF WAR CRIMES IN
5 THE FORMER YUGOSLAVIA.—Assistance provided under
6 section 491 of the Foreign Assistance Act of 1961 (relat-
7 ing to international disaster assistance) and assistance
8 provided under the Migration and Refugee Assistance Act
9 of 1962 may include assistance for the victims of torture,
10 rape, and other war crimes stemming from the conflict in
11 the former Yugoslavia and for the families of such victims
12 (especially children), with a particular focus on victims of
13 the war in Bosnia-Herzegovina. Such assistance may in-
14 clude activities such as—

15 (1) the provision (in the United States or
16 abroad)—

17 (A) of medical, psychological, and psy-
18 chiatric care and crisis counseling for such vic-
19 tims and their families, and

20 (B) of training of individuals in the former
21 Yugoslavia to provide such care and counseling;
22 and

23 (2) the procurement of necessary medical and
24 training supplies.

1 (c) CORRECTION OF REFERENCE.—Subsection (e) of
2 section 3 of the Support for East European Democracy
3 (SEED) Act of 1989, as so redesignated by subsection (a)
4 of this section, is amended—

5 (1) by striking “and Slovak Federal”; and

6 (2) by inserting “the Slovak Republic,” after
7 “Romania,”.

8 **SEC. 311. ASSISTANCE FOR THE INDEPENDENT STATES OF**
9 **THE FORMER SOVIET UNION.**

10 (a) CUBA.—

11 (1) SENSE OF THE CONGRESS.—It is the sense
12 of the Congress that—

13 (A) the acts of the Castro government, in-
14 cluding its massive, systematic, and extraor-
15 dinary violations of human rights, are a threat
16 to international peace;

17 (B) the President should advocate, and
18 should instruct the United States Representa-
19 tives to the United Nations to support and con-
20 sult with members of the Security Council with
21 respect to, a mandatory international embargo
22 against the totalitarian government of Cuba
23 pursuant to Chapter VII of the Charter of the
24 United Nations, which is similar to consulta-

1 tions being conducted by United States Rep-
2 resentatives with respect to Haiti; and

3 (C) any resumption of efforts by any inde-
4 pendent state of the former Soviet Union to
5 make the nuclear facility at Cienfuegos, Cuba,
6 operational will have a serious impact on
7 United States assistance to such state.

8 (2) REPORTING REQUIREMENT.—The President
9 shall submit to the Congress, not later than 90 days
10 after the date of enactment of this Act, a report de-
11 tailing progress towards the withdrawal of personnel
12 of any independent state of the former Soviet Union
13 (including advisors, technicians, and military person-
14 nel) from the Cienfuegos nuclear facility in Cuba.

15 (3) CRITERIA FOR ASSISTANCE.—Section
16 498A(a)(11) of the Foreign Assistance Act of 1961
17 is amended by striking “of military facilities” and
18 inserting “the military and nuclear facilities at
19 Lourdes and Cienfuegos”.

20 (4) INELIGIBILITY FOR ASSISTANCE.—(A) Sec-
21 tion 498A(b) of that Act is amended—

22 (i) by striking “or” at the end of para-
23 graph (4);

24 (ii) by redesignating paragraph (5) as
25 paragraph (6); and

1 (iii) by inserting after paragraph (4) the
2 following:

3 “(5) for the government of any independent
4 state that the President determines is providing as-
5 sistance for, or engaging in nonmarket based trade
6 (as defined in section 498B(m)(3)) with, the Govern-
7 ment of Cuba; or”.

8 (B) Subsection (m) of section 498B of that Act,
9 as so redesignated by subsections (d) and (e) of this
10 section, is amended by adding at the end the
11 following:

12 “(3) NONMARKET BASED TRADE.—As used in
13 section 498A(b)(5), the term ‘nonmarket based
14 trade’ includes exports, imports, exchanges, or other
15 arrangements that are provided for goods and serv-
16 ices (including oil and other petroleum products) on
17 terms more favorable than those generally available
18 in applicable markets or for comparable commod-
19 ities, including—

20 “(A) exports to the Government of Cuba
21 on terms that involve a grant, concessional
22 price, guaranty, insurance, or subsidy;

23 “(B) imports from the Government of
24 Cuba at preferential tariff rates; and

1 “(C) exchange arrangements that include
2 advance delivery of commodities, arrangements
3 in which the Government of Cuba is not held
4 accountable for unfulfilled exchange contracts,
5 and arrangements under which Cuba does not
6 pay appropriate transportation, insurance, or
7 finance costs.”.

8 (b) TRANSFERS OF SOPHISTICATED CONVENTIONAL
9 WEAPONS TO IRAN.—Section 498A(b)(3) of that Act is
10 amended—

11 (1) in the text preceding subparagraph (A), by
12 striking “to another country”;

13 (2) in subparagraph (A)—

14 (A) by inserting “to another country” after
15 “missiles or missile technology”; and

16 (B) by striking “or” at the end of such
17 subparagraph;

18 (3) in subparagraph (B)—

19 (A) by inserting “to another country” after
20 “any material, equipment, or technology”; and

21 (B) by “or” at the end of such subpara-
22 graph; and

23 (4) by adding at the end the following:

1 “(C) sophisticated conventional weapons to
2 Iran in numbers and types that are destabiliz-
3 ing;”.

4 (c) AUTHORITY TO WAIVE CERTAIN RESTRIC-
5 TIONS.—Section 498B(j)(1) of that Act is amended—

6 (1) by inserting “or 1994” after “1993” both
7 places it appears; and

8 (2) by striking “by this chapter” and inserting
9 “to carry out this chapter”.

10 (d) ASSISTANCE IN EXCHANGE FOR COMMODITIES.—

11 (1) AUTHORIZATION.—Section 498B of that
12 Act is amended—

13 (A) by redesignating subsection (k) as sub-
14 section (l); and

15 (B) by inserting after subsection (j) the
16 following:

17 “(k) ASSISTANCE IN EXCHANGE FOR COMMOD-
18 ITIES.—The President is authorized to provide assistance
19 under this chapter in exchange for materials or commod-
20 ities, including any strategic material and any commodity
21 the international supply of which is in such excess as to
22 jeopardize United States production of such commodity.”.

23 (2) CONGRESSIONAL POLICY STATEMENT.—It is
24 the sense of the Congress that—

1 (A) the President should encourage those
2 independent states of the former Soviet Union
3 capable of providing eventual reimbursement to
4 the United States for assistance provided to
5 such states under chapter 11 of part I of the
6 Foreign Assistance Act of 1961 to enter into
7 negotiations with the United States to reach
8 agreements outlining such eventual reimburse-
9 ment; and

10 (B) at least \$744,115,000 of the amounts
11 appropriated pursuant to the authorization of
12 appropriations in section 201(a)(8) of this Act
13 for assistance for the independent states of the
14 former Soviet Union for fiscal year 1994 should
15 be obligated only under the terms of agree-
16 ments providing for eventual reimbursement of
17 such assistance.

18 (3) STUDY OF RESOURCES IN INDEPENDENT
19 STATES.—The President shall conduct a study of—

20 (A) the resources in each of the independ-
21 ent states of the former Soviet Union and the
22 prospective revenues from the production and
23 sale of such resources;

24 (B) the possible use of barter or exchange
25 of such resources as methods of reimbursement

1 for assistance provided to such states under
2 chapter 11 of part I of the Foreign Assistance
3 Act of 1961; and

4 (C) the collateralization of loan and invest-
5 ment guarantees provided by the United States
6 Government for project financing in such states
7 using the resources or prospective revenues
8 from the production and sale of such resources.

9 (4) REPORTS.—The President shall submit to
10 the relevant congressional committees the following
11 reports:

12 (A) Periodic reports describing the status
13 of negotiations between the United States and
14 any independent state of the former Soviet
15 Union relating to agreements for reimburse-
16 ment of assistance provided to such state under
17 chapter 11 of part I of the Foreign Assistance
18 Act of 1961.

19 (B) A report containing the results of the
20 study conducted pursuant to paragraph (3), in-
21 cluding the names of those independent states
22 of the former Soviet Union capable of providing
23 eventual reimbursement of assistance provided
24 to such states under that chapter. Such report

1 shall be submitted not later than June 30,
2 1994.

3 (5) DEFINITIONS.—For purposes of this sub-
4 section, the following definitions apply:

5 (A) RELEVANT CONGRESSIONAL COMMIT-
6 TEES.—The term “relevant congressional com-
7 mittees” means the Committee on Foreign Af-
8 fairs of the House of Representatives and the
9 Committee on Foreign Relations of the Senate.

10 (B) RESOURCES.—The term “resources”
11 includes commodities, raw materials (including
12 necessary or strategic raw materials, as defined
13 in section 663(a) of the Foreign Assistance Act
14 of 1961), and other valuable materials.

15 (e) IMPROVING MONITORING OF ECONOMIC PER-
16 FORMANCE IN THE INDEPENDENT STATES.—Section
17 498B of that Act, as amended by subsection (d)(1) of this
18 section, is further amended—

19 (1) by redesignating subsection (l) as subsection
20 (m); and

21 (2) by inserting after subsection (k) the
22 following:

23 “(l) IMPROVING MONITORING OF ECONOMIC PER-
24 FORMANCE IN THE INDEPENDENT STATES.—Assistance
25 under section 498 shall include training and other tech-

1 nical assistance to develop capabilities to monitor eco-
2 nomic performance in the independent states of the former
3 Soviet Union through the collection, analysis, and dissemi-
4 nation of economic statistical data.”.

5 (f) REMOVAL OF TROOPS FROM THE BALTIC
6 STATES.—Effective October 1, 1993, paragraph (6) of
7 section 498A(b) of that Act, as so redesignated by sub-
8 section (a)(4) of this section, is amended to read as
9 follows:

10 “(6) for the Government of Russia until the
11 President certifies to the Congress that the Govern-
12 ment of Russia—

13 “(A) has made further significant progress
14 since the President’s certification to the Con-
15 gress on May 31, 1993, on the removal of all
16 of the armed forces of Russia and the Common-
17 wealth of Independent States from Estonia,
18 Latvia, and Lithuania (including any units of
19 such forces that are demobilized), or has com-
20 pleted with the governments of such countries
21 negotiated agreements that include timetables
22 for such removal; and

23 “(B) has undertaken good faith efforts,
24 such as negotiations, to end other military prac-
25 tices by Russia and the Commonwealth of Inde-

pendent States that violate the sovereignty of
Estonia, Latvia, or Lithuania, including—

“(i) artillery or similar armed forces
training operations on the territories of
Estonia, Latvia, or Lithuania without the
permission of their governments;

“(ii) interference in the air space or
territorial waters of Estonia, Latvia, or
Lithuania;

“(iii) the introduction of additional
armed forces, military equipment, or relat-
ed civilian personnel onto the territories of
Estonia, Latvia, or Lithuania without the
permission of their governments; or

“(iv) the imposition of an economic
blockade or interruption of energy supplies
upon Estonia, Latvia, or Lithuania;

except that this paragraph does not apply with re-
spect to (I) housing assistance for officers of the
armed forces of Russia and the Commonwealth of
Independent States who are withdrawn from the ter-
ritories of Estonia, Latvia, and Lithuania, or (II)
food, clothing, medicine, or other humanitarian
assistance.”.

1 **SEC. 312. ASSISTANCE FOR MONGOLIA.**

2 The President is authorized to use funds made avail-
3 able to carry out chapter 11 of part I of the Foreign As-
4 sistance Act of 1961 (relating to assistance for the inde-
5 pendent states of the former Soviet Union) to provide as-
6 sistance for Mongolia in accordance with the same au-
7 thorities, restrictions, and other provisions that are appli-
8 cable to assistance under that chapter for independent
9 states of the former Soviet Union.

10 **SEC. 313. TERMINATION OF IMET PROGRAM FOR MALTA.**

11 Funds made available for fiscal year 1994 to carry
12 out chapter 5 of part II of the Foreign Assistance Act
13 of 1961 (relating to the international military education
14 and training program) may not be obligated for Malta.

15 **SEC. 314. ADMINISTRATION OF JUSTICE AND OTHER LAW**
16 **ENFORCEMENT ASSISTANCE PROGRAMS FOR**
17 **LATIN AMERICA AND THE CARIBBEAN.**

18 (a) EXTENSION OF PROGRAM AUTHORITY.—Section
19 534 of the Foreign Assistance Act of 1961 is amended
20 by striking the last sentence of subsection (e) and by in-
21 serting after subsection (e) the following:

22 “(f) The authority of this section shall expire on Sep-
23 tember 30, 1994.”.

24 (b) ELIMINATION OF PROGRAM CEILINGS.—Section
25 534 of that Act is amended—

1 (1) by repealing the second sentence of sub-
2 section (e); and

3 (2) by amending subsection (c) to read as
4 follows:

5 “(c) Funds made available to carry out this chapter
6 may be used to provide assistance under this section.”.

7 (c) PROTECTION OF PARTICIPANTS IN JUDICIAL
8 CASES.—Section 534(b)(3) of that Act is amended—

9 (1) by redesignating subparagraphs (C) and
10 (D) as subparagraphs (D) and (E), respectively; and

11 (2) by inserting after subparagraph (B) the fol-
12 lowing:

13 “(C) programs to enhance protection of
14 participants in judicial cases;”.

15 (d) SPECIAL AUTHORITIES FOR CERTAIN COUN-
16 TRIES.—Funds made available for fiscal year 1994 to
17 carry out section 534 of that Act may be used, notwith-
18 standing section 660 of that Act, to provide assistance as
19 follows:

20 (1) PANAMA.—Up to \$10,000,000 may be made
21 available for Panama for the following:

22 (A) Technical assistance, training, and
23 commodities with the objective of creating a
24 professional civilian police force, except that as-
25 sistance under this subparagraph—

1 (i) shall not include more than
2 \$5,000,000 for the procurement of equip-
3 ment for law enforcement purposes, and

4 (ii) shall not include lethal equipment.

5 (B) Programs to improve penal institutions
6 and the rehabilitation of offenders, which may
7 include programs that are not conducted
8 through multilateral or regional institutions.

9 (2) EL SALVADOR.—Funds allocated for El Sal-
10 vador may be used for law enforcement assistance in
11 a manner consistent with the Salvadoran Peace
12 Accords.

13 **SEC. 315. WAIVER OF BROOKE AMENDMENT FOR NICA-**
14 **RAGUA.**

15 Section 620(q) of the Foreign Assistance Act of 1961
16 and the corresponding section of the Foreign Operations,
17 Export Financing, and Related Programs Appropriations
18 Act, 1994, shall not apply to funds made available for fis-
19 cal year 1994 for any assistance for Nicaragua under the
20 Foreign Assistance Act of 1961 or the Arms Export
21 Control Act.

22 **SEC. 316. SPECIAL NOTIFICATION REQUIREMENTS FOR**
23 **GUATEMALA AND PERU.**

24 Funds made available for fiscal year 1994 to carry
25 out the Foreign Assistance Act of 1961 or for the “For-

1 eign Military Financing Program” account under section
2 23 of the Arms Export Control Act may not be obligated
3 for assistance for Guatemala or Peru unless the congres-
4 sional committees specified in section 634A(a) of the For-
5 eign Assistance Act of 1961 are notified at least 15 days
6 in advance in accordance with the reprogramming proce-
7 dures applicable under that section.

8 **SEC. 317. ASSISTANCE FOR THE MIDDLE EAST.**

9 (a) ISRAEL.—

10 (1) ECONOMIC SUPPORT FUND.—Of the
11 amounts made available for fiscal year 1994 for as-
12 sistance under chapter 4 of part II of the Foreign
13 Assistance Act of 1961, not less than
14 \$1,200,000,000 shall be available only for Israel.
15 Such funds shall be available on a grant basis as a
16 cash transfer and shall be disbursed in accordance
17 with paragraph (3).

18 (2) FOREIGN MILITARY FINANCING.—(A) Of
19 the amounts made available for fiscal year 1994 for
20 assistance under the “Foreign Military Financing
21 Program” account under section 23 of the Arms Ex-
22 port Control Act, not less than \$1,800,000,000 shall
23 be available only for Israel.

24 (B) To the extent that the Government of Is-
25 rael requests that funds be used for such purposes,

1 funds made available for Israel pursuant to this
2 paragraph shall, as agreed by Israel and the United
3 States, be available for advanced fighter aircraft
4 programs or for other advanced weapons systems, as
5 follows:

6 (i) Up to \$150,000,000 shall be available
7 for research and development in the United
8 States.

9 (ii) Not less than \$475,000,000 shall be
10 available for the procurement in Israel of de-
11 fense articles and defense services, including re-
12 search and development.

13 (3) EARLY DISBURSEMENT.—The assistance
14 provided for Israel pursuant to paragraphs (1) and
15 (2) shall be disbursed within 30 days after the date
16 of enactment of the Foreign Operations, Export Fi-
17 nancing, and Related Programs Appropriations Act,
18 1994, or by October 31, 1993, whichever is later.

19 (b) EGYPT.—

20 (1) ECONOMIC SUPPORT FUND.—Of the
21 amounts made available for fiscal year 1994 for as-
22 sistance under chapter 4 of part II of the Foreign
23 Assistance Act of 1961, not less than \$815,000,000
24 shall be available only for Egypt.

1 (2) FOREIGN MILITARY FINANCING.—Of the
2 amounts made available for fiscal year 1994 for as-
3 sistance under the “Foreign Military Financing Pro-
4 gram” account under section 23 of the Arms Export
5 Control Act, not less than \$1,300,000,000 shall be
6 available only for Egypt.

7 (c) COOPERATIVE DEVELOPMENT PROJECTS.—Of
8 the amounts made available for fiscal year 1994 to carry
9 out chapter 4 of part II of the Foreign Assistance Act
10 of 1961 (relating to the economic support fund), not less
11 than \$10,000,000 shall be available only for cooperative
12 projects among the United States, Israel, and developing
13 countries, including projects under the Cooperative Devel-
14 opment Program, cooperative development research
15 projects, and cooperative projects among the United
16 States and Israel and the countries of Eastern Europe,
17 the Baltic states, and the independent states of the former
18 Soviet Union.

19 (d) MIDDLE EAST REGIONAL COOPERATIVE PRO-
20 GRAMS.—Of the amounts made available for fiscal year
21 1994 to carry out chapter 4 of part II of the Foreign As-
22 sistance Act of 1961 (relating to the economic support
23 fund), not less than \$7,000,000 shall be available only for
24 Middle East regional cooperative programs carried out in

1 accordance with section 202(c) of the International Secu-
2 rity and Development Cooperation Act of 1985.

3 **SEC. 318. MILITARY DRAWDOWN FOR ISRAEL.**

4 Section 599B(a) of the Foreign Operations, Export
5 Financing, and Related Programs Appropriations Act,
6 1991, is amended by inserting “and fiscal year 1994”
7 after “fiscal year 1993”.

8 **SEC. 319. TERMINATION OF IMET PROGRAM FOR INDIA.**

9 Funds made available for fiscal year 1994 to carry
10 out chapter 5 of part II of the Foreign Assistance Act
11 of 1961 (relating to the international military education
12 and training program) may not be obligated for India un-
13 less the President certifies to the Congress that the Gov-
14 ernment of India is taking steps to address the human
15 rights problem in India, such as providing access to inter-
16 national human rights organizations, establishing a
17 human rights commission, holding military personnel ac-
18 countable for violations of fundamental human rights, and
19 prosecuting human rights abusers.

20 **TITLE IV—PROVISIONS RELATING TO**
21 **ARMS TRANSFERS**

22 **SEC. 401. COMPETITIVE PRICING FOR SALES OF DEFENSE**
23 **ARTICLES AND SERVICES.**

24 (a) COSTING BASIS.—Section 22 of the Arms Export
25 Control Act is amended by adding at the end the following:

1 “(d) COMPETITIVE PRICING.—Procurement con-
2 tracts made in implementation of sales under this section
3 for defense articles and defense services wholly paid from
4 funds made available on a nonrepayable basis shall be
5 priced on the same costing basis with regard to profit,
6 overhead, independent research and development, bid and
7 proposal, and other costing elements, as is applicable to
8 procurements of like items purchased by the Department
9 of Defense for its own use.”.

10 (b) EFFECTIVE DATE AND IMPLEMENTING REGULA-
11 TIONS.—The amendment made by subsection (a)—

12 (1) shall be effective as of the 60th day follow-
13 ing the date of the enactment of this section;

14 (2) shall be applicable only to contracts made in
15 implementation of sales made after such effective
16 date; and

17 (3) shall be implemented by revised procure-
18 ment regulations, which shall be issued prior to such
19 effective date.

20 **SEC. 402. INCREASE IN AGGREGATE CEILING ON TRANS-**
21 **FERS OF EXCESS DEFENSE ARTICLES.**

22 Effective October 1, 1993, section 31(d) of the Arms
23 Export Control Act is amended by striking
24 “\$250,000,000” and inserting “\$375,000,000”.

1 **SEC. 403. ELIGIBILITY OF EAST EUROPEAN COUNTRIES TO**
2 **RECEIVE NONLETHAL EXCESS DEFENSE AR-**
3 **TICLES.**

4 (a) IN GENERAL.—Section 519(a) of the Foreign As-
5 sistance Act of 1961 is amended by inserting “or to any
6 East European country (as defined in section 3 of the
7 Support for East European Democracy (SEED) Act of
8 1989) other than an East European country that is pro-
9 hibited from receiving assistance under that Act” after “in
10 which the transfer is authorized”.

11 (b) CONFORMING AMENDMENT.—Section 906(a) of
12 the Freedom for Russia and Emerging Eurasian Democ-
13 racies and Open Markets Support Act of 1992 is amend-
14 ed—

15 (1) by striking paragraph (2);

16 (2) by striking “eligible—” through “(1) to
17 purchase” and inserting “eligible to purchase”;

18 (3) by redesignating subparagraphs (A) and
19 (B) as paragraphs (1) and (2), respectively, and by
20 resetting their left margins on a 2-em indentation;
21 and

22 (4) by striking “; and” at the end of paragraph
23 (2), as so redesignated, and inserting a period.

1 **SEC. 404. EXCEPTION TO PAYMENT OF FULL COST FOR**
2 **SALES OF DEFENSE TRAINING SERVICES TO**
3 **CERTAIN COUNTRIES AND INTERNATIONAL**
4 **ORGANIZATIONS.**

5 Section 21(a) of the Arms Export Control Act is
6 amended—

7 (1) in paragraph (1)(C)—

8 (A) by inserting “(i)” after “sold to”,

9 (B) by inserting “or (ii) a purchaser de-
10 scribed in paragraph (3)” after “Act of 1961”,
11 and

12 (C) by striking “such assistance” and in-
13 sserting “such training”; and

14 (2) by adding after paragraph (2) the following:

15 “(3) Clause (ii) of paragraph (1)(C) applies in the
16 case of a purchaser of training under this section if the
17 President notifies the Committee on Appropriations, the
18 Committee on Armed Services, and the Committee on For-
19 eign Relations of the Senate and the Committee on Appro-
20 priations, the Committee on Armed Services, and the
21 Committee on Foreign Affairs of the House of Representa-
22 tives, in accordance with the regular notification proce-
23 dures of those committees, at least 15 days before issuing
24 a letter of offer to sell such training. Such notification
25 shall include a description of any reciprocal benefits that

1 the United States Government will receive in exchange for
2 the sale of such training on less than a full cost basis.”.

3 **SEC. 405. ELIGIBILITY OF MAJOR NON-NATO ALLIES TO RE-**
4 **CEIVE CERTAIN CONTRACT SERVICES IN**
5 **CONNECTION WITH SALES OF DEFENSE ARTI-**
6 **CLES AND SERVICES.**

7 (a) AUTHORIZATION.—Section 21(h) of the Arms Ex-
8 port Control Act is amended—

9 (1) in paragraph (1)(A), by inserting “or which
10 is a major non-NATO ally” after “Treaty Organiza-
11 tion”;

12 (2) in paragraph (2), by striking “if that Orga-
13 nization or member government” and inserting “or
14 to any major non-NATO ally, if that Organization,
15 member government, or major non-NATO ally”; and

16 (3) by adding at the end the following:

17 “(3) As used in this subsection, the term ‘major non-
18 NATO ally’ has the meaning given such term in section
19 2350a(i)(3) of title 10, United States Code.”.

20 (b) EFFECTIVE DATE.—Notwithstanding section
21 21(h)(1) of that Act, the amendment made by subsection
22 (a)(1) applies with respect to contracts and subcontracts
23 entered into after the date of enactment of this Act.

1 **SEC. 406. ADDITIONS TO WAR RESERVE STOCKPILES FOR**
2 **ALLIES.**

3 Section 514(b)(2) of the Foreign Assistance Act of
4 1961 is amended by adding at the end the following: “Ex-
5 cept as provided in the last two sentences of this para-
6 graph, the value of such additions to stockpiles in foreign
7 countries in fiscal year 1994 shall not exceed \$72,000,000,
8 which shall be for stockpiles in the Republic of Korea. In
9 addition, to the extent that the authority of the first sen-
10 tence of this paragraph has not been exercised with re-
11 spect to Israel in fiscal year 1993, that authority may be
12 exercised during fiscal year 1994 except that the aggre-
13 gate value of such additions for Israel in both such fiscal
14 years may not exceed \$200,000,000. Defense articles hav-
15 ing an aggregate value of not to exceed \$20,000,000 may
16 be added to stockpiles in Thailand in fiscal years 1993
17 and 1994.”.

18 **SEC. 407. ARAB BOYCOTT.**

19 (a) PROHIBITION ON CERTAIN SALES AND
20 LEASES.—Defense articles and defense services may not
21 be sold or leased by the United States Government to any
22 country or international organization which as a matter
23 of policy or practice is known to have sent letters to
24 United States firms requesting compliance with, or solicit-
25 ing information regarding compliance with, the secondary
26 or tertiary Arab boycott, unless the President determines,

1 and reports to the relevant congressional committees, that
2 that country or organization does not now send such let-
3 ters as a matter of policy or practice.

4 (b) WAIVER OF PROHIBITION.—

5 (1) 1 YEAR WAIVER.—After the effective date of
6 this section, the President may waive, for a period
7 of 1 year, the application of subsection (a) with re-
8 spect to any country or organization if the President
9 determines, and reports to the relevant congressional
10 committees, that—

11 (A) such waiver is in the national interest
12 of the United States, and such waiver will pro-
13 mote the objectives of this section to eliminate
14 the Arab boycott; or

15 (B) such waiver is in the national security
16 interest of the United States.

17 (2) EXTENSION OF WAIVER.—If the President
18 determines that the further extension of a waiver
19 will promote the objectives of this section, the Presi-
20 dent, with appropriate notification to relevant con-
21 gressional committees, may grant further extensions
22 of such waiver for successive 12-month periods.

23 (3) TERMINATION OF WAIVER.—The President
24 may, at any time, terminate any waiver granted
25 under this subsection.

1 (c) RELEVANT CONGRESSIONAL COMMITTEES.—As
2 used in this section, the term “relevant congressional com-
3 mittees” means the Committee on Foreign Relations of
4 the Senate and the Committee on Foreign Affairs of the
5 House of Representatives.

6 (d) EFFECTIVE DATE.—This section shall not take
7 effect until one year after the date of enactment of this
8 Act.

9 **TITLE V—OTHER FOREIGN ASSISTANCE**
10 **PROVISIONS**

11 **SEC. 501. INTEREST ACCRUING TO NONGOVERNMENTAL**
12 **ORGANIZATIONS.**

13 (a) IN GENERAL.—Chapter 1 of part III of the For-
14 eign Assistance Act of 1961 is amended by inserting after
15 section 617 the following:

16 **“SEC. 618. INTEREST ACCRUING TO NONGOVERNMENTAL**
17 **ORGANIZATIONS.**

18 “(a) AUTHORITY TO RETAIN INTEREST.—A non-
19 governmental organization may place in an interest bear-
20 ing account—

21 “(1) funds made available on a grant basis
22 under part I of this Act or under the Support for
23 East European Democracy (SEED) Act of 1989;
24 and

1 “(2) local currencies which accrue to that orga-
2 nization as a result of grant assistance provided
3 under part I of this Act or assistance under titles I
4 through III of the Agricultural Trade Development
5 and Assistance Act of 1954, section 416(b) of the
6 Agricultural Act of 1949, or the Food for Progress
7 Act of 1985.

8 Any interest so earned may be retained by the nongovern-
9 mental organization and used for the purpose for which
10 the assistance was provided to that organization.

11 “(b) LIMITATION ON ENDOWMENTS.—Any grant
12 agreement entered into after the date of enactment of this
13 section to establish an endowment pursuant to the author-
14 ity of subsection (a)(1) shall provide that—

15 “(1) the grant proceeds shall be maintained in
16 a separate account;

17 “(2) the agency primarily responsible for ad-
18 ministering part I may terminate at any time, in its
19 sole discretion, the endowment and recover endow-
20 ment principal equal to the amount of the grant;
21 and

22 “(3) unless the authority described in para-
23 graph (2) has been exercised, not later than 20
24 years after the date of the grant—

1 “(A) the endowment shall be terminated,
2 and

3 “(B) all funds in the endowment and all
4 interest earned as a result of the endowment
5 shall be expended for the purpose for which the
6 assistance was provided or returned to the Gov-
7 ernment of the United States.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section applies to both interest earned before and in-
10 terest earned after the date of enactment of this Act.

11 **SEC. 502. PRIVATE SECTOR REVOLVING FUND.**

12 Section 108 of the Foreign Assistance Act of 1961
13 is amended by adding at the end the following:

14 “(j) TERMINATION OF AUTHORITY.—After the date
15 of enactment of this subsection, loans may not be made,
16 loan guarantees may not be issued, previously issued guar-
17 antees may not be renewed or otherwise extended, and as-
18 sistance may not otherwise be provided under the author-
19 ity of this section.”.

20 **SEC. 503. DEVELOPMENT ASSISTANCE THROUGH NON-**
21 **GOVERNMENTAL ORGANIZATIONS.**

22 Chapter 1 of part III of the Foreign Assistance Act
23 of 1961 is amended by inserting before section 620 the
24 following:

1 **“SEC. 619. ASSISTANCE THROUGH NONGOVERNMENTAL**
2 **ORGANIZATIONS.**

3 “(a) DEVELOPMENT ASSISTANCE.—Restrictions con-
4 tained in this or any other Act with respect to assistance
5 for a country shall not restrict assistance in support of
6 programs of nongovernmental organizations that is pro-
7 vided under chapter 1 or chapter 10 of part I of this Act.
8 The President shall take into consideration, in any case
9 in which a restriction on assistance would be applicable
10 but for this section, whether assistance in support of pro-
11 grams of nongovernmental organizations is in the national
12 interest of the United States.

13 “(b) NOTICE TO CONGRESS.—Before using the au-
14 thority of this section to furnish assistance in support of
15 programs of nongovernmental organizations, the President
16 shall notify the congressional committees specified in sec-
17 tion 634A(a) of this Act in accordance with the procedures
18 applicable to reprogramming notifications under that sec-
19 tion. Such notice shall include a description of the pro-
20 gram to be assisted, the assistance to be provided, and
21 the reasons for furnishing such assistance.

22 “(c) EXCEPTIONS.—This section shall not apply with
23 respect to—

24 “(1) section 620A of this Act or any com-
25 parable provision of law prohibiting assistance to
26 countries that support international terrorism; or

1 “(2) section 116 of this Act or any comparable
2 provision of law prohibiting assistance to countries
3 that violate internationally recognized human rights.

4 “(d) ABORTION AND INVOLUNTARY STERILIZATION
5 PROHIBITIONS.—Nothing in this section alters any statu-
6 tory prohibition against funding for abortion or involun-
7 tary sterilizations.”.

8 **SEC. 504. IMPACT OF FOREIGN ASSISTANCE PROGRAMS ON**
9 **JOBS IN THE UNITED STATES.**

10 Funds authorized to be appropriated by this Act for
11 foreign assistance programs for fiscal year 1994 may not
12 be obligated or expended to provide—

13 (1) any financial incentive to a business enter-
14 prise located in the United States for the purpose of
15 inducing that enterprise to relocate outside the Unit-
16 ed States if such incentive or inducement is likely to
17 reduce the number of individuals employed in the
18 United States by that enterprise because that enter-
19 prise would replace production in the United States
20 with production outside the United States;

21 (2) assistance for the purpose of establishing or
22 developing in a foreign country any export process-
23 ing zone or designated area in which the tax, tariff,
24 labor, environment, and safety laws of that country
25 do not apply, in part or in whole, to activities car-

1 ried out within that zone or area, unless the Presi-
2 dent determines and certifies that such assistance is
3 not likely to cause a loss of jobs within the United
4 States; or

5 (3) assistance for any project or activity that
6 contributes to the violation of internationally recog-
7 nized workers rights (as defined in section 502(a)(4)
8 of the Trade Act of 1974) of workers in the recipi-
9 ent country, including in any designated zone or
10 area in that country.

11 In recognition that the application of paragraph (3) should
12 be commensurate with the level of development of the re-
13 cipient country and sector, that paragraph does not pre-
14 clude assistance for the informal sector in such country,
15 for microenterprises and small-scale enterprises, or for
16 small-holder agriculture.

17 **SEC. 505. CAPITAL PROJECTS.**

18 Chapter 3 of part III of the Foreign Assistance Act
19 of 1961 is amended by inserting after section 661 the fol-
20 lowing:

21 **“SEC. 662. CAPITAL PROJECTS.**

22 “(a) ESTABLISHMENT OF PILOT PROGRAM.—The
23 Director of the Trade and Development Agency shall es-
24 tablish a capital projects pilot program to carry out the
25 purpose described in subsection (b).

1 “(b) PURPOSE OF PROGRAM.—The purpose referred
2 to in subsection (a) is to develop a program administered
3 by TDA that would focus solely on developmentally sound
4 capital projects in developing countries and in countries
5 making the transition from a nonmarket to a market econ-
6 omy, taking into consideration the development needs of
7 the host country and the export opportunities for the
8 United States.

9 “(c) ACTIVITIES.—The Director, in coordination with
10 the appropriate other members of the Trade Promotion
11 Coordination Committee—

12 “(1) shall support capital projects in developing
13 countries and in countries making the transition
14 from a nonmarket to a market economy; and

15 “(2) shall periodically review infrastructure
16 needs in these countries and shall explore opportuni-
17 ties for United States firms in the development of
18 new capital projects in these countries, keeping both
19 United States firms and the Congress informed of
20 these reviews.

21 “(d) GUARANTEE AUTHORITY.—In addition to mak-
22 ing grants to carry out this section, the Director is author-
23 ized to issue guarantees to eligible investors (as defined
24 in section 238(c)) assuring against losses incurred in con-
25 nection with loans obtained by such investors to finance

1 their participation in capital projects described in sub-
2 section (b). A fee shall be charged for each such guarantee
3 issued in an amount to be determined by the Director.

4 “(e) PROCUREMENT FROM THE UNITED STATES.—
5 Guarantees and other financial support provided for cap-
6 ital projects under this section shall be provided for pro-
7 curement of goods and services from the United States
8 to the maximum extent possible, consistent with the guide-
9 lines of the Organization for Economic Cooperation and
10 Development.

11 “(f) PROJECTS TO BE DEVELOPMENTALLY
12 SOUND.—The Director, in coordination with the appro-
13 priate other members of the Trade Promotion Coordina-
14 tion Committee, shall ensure that each capital project for
15 which TDA provides financial support is developmentally
16 sound, as determined under the criteria developed by the
17 Development Assistance Committee of the Organization
18 for Economic Cooperation and Development.

19 “(g) COORDINATION.—The President shall utilize the
20 existing interagency coordinating mechanism to coordinate
21 activities under this section with other relevant activities
22 of the United States Government.

23 “(h) NONAPPLICABILITY OF OTHER PROVISIONS.—
24 Any funds used for purposes of this section may be used
25 notwithstanding any other provision of law.

1 “(i) REPORT TO CONGRESS.—Not later than 1 year
2 after the date of enactment of this section, the Director
3 shall submit to the Congress a report describing—

4 “(1) the extent to which United States Govern-
5 ment resources have been expended specifically to
6 support the capitol projects described in subsection
7 (b);

8 “(2) the extent to which the activities of the
9 United States Government have been coordinated
10 pursuant to subsection (g); and

11 “(3) the feasibility of establishing a permanent
12 program modeled on the pilot program establishment
13 pursuant to this section.

14 “(j) FUNDING.—

15 “(1) IN GENERAL.—Notwithstanding the per-
16 centage limitations in section 610(a), the President
17 shall transfer \$300,000,000 of funds specified in
18 paragraph (2) to TDA for use in carrying out this
19 section, including the cost (as defined in section
20 502(5) of the Federal Credit Reform Act of 1990)
21 of guarantees issued under subsection (d).

22 “(2) SOURCE OF FUNDS.—The funds specified
23 in this paragraph are—

24 “(A) funds made available for fiscal year
25 1994 for assistance under chapter 4 of part II

1 of this Act (relating to the economic support
2 fund), excluding funds made available pursuant
3 to subsections (a)(1), (c), and (d) of section
4 317 of the Foreign Assistance Authorization
5 Act of 1993;

6 “(B) funds made available for fiscal year
7 1994 for assistance under chapter 11 of part I
8 of this Act (relating to assistance for the inde-
9 pendent states of the former Soviet Union); and

10 “(C) funds made available for fiscal year
11 1994 for assistance under the Support for East
12 European Democracy (SEED) Act of 1989.

13 “(3) FUNDS TO BE USED TO SUPPORT CAPITAL
14 PROJECTS IN COUNTRIES FOR WHICH ORIGINAL
15 FUNDING WAS PROVIDED.—(A) Any funds described
16 in paragraph (2)(A) that are earmarked by the Con-
17 gress for a specific country and that are transferred
18 pursuant to paragraph (1) shall be used to support
19 capital projects in that country.

20 “(B) Any funds described in paragraph (2)(B)
21 that are transferred pursuant to paragraph (1) shall
22 be used to support capital projects in countries eligi-
23 ble for assistance under chapter 11 of part I of this
24 Act.

1 “(C) Any funds described in paragraph (2)(C)
 2 that are transferred pursuant to paragraph (1) shall
 3 be used to support capital projects in countries eligi-
 4 ble for assistance under the Support for East Euro-
 5 pean Democracy (SEED) Act of 1989.

6 “(k) DEFINITIONS.—As used in this section—

7 “(1) the term ‘capital projects’ means a project
 8 involving the construction, expansion, alteration of,
 9 or the acquisition of equipment for, a physical facil-
 10 ity or physical infrastructure, including related engi-
 11 neering design (concept and detail) and other serv-
 12 ices, the procurement of equipment (including any
 13 related services), and feasibility studies or similar
 14 engineering and economic services;

15 “(2) the term ‘Director’ means the Director of
 16 TDA; and

17 “(3) the term ‘TDA’ means the Trade and De-
 18 velopment Agency.”.

19 **SEC. 506. MICROENTERPRISE DEVELOPMENT.**

20 Chapter 2 of part I of the Foreign Assistance Act
 21 of 1961 is amended by adding after title V the following:

22 “TITLE VI—MICROENTERPRISE DEVELOPMENT

23 **“SEC. 251. MICROENTERPRISE DEVELOPMENT.**

24 “(a) CENTRALLY-MANAGED FUND.—

25 “(1) ESTABLISHMENT AND MANAGEMENT.—

26 The administrator of the agency primarily respon-

1 sible for administering this part shall establish with-
2 in the agency a centrally-managed fund to be known
3 as the Microenterprise Development Fund (herein-
4 after in this section referred to as the ‘Fund’). The
5 Fund shall be managed by the office in that agency
6 that has primary responsibility for working with pri-
7 vate and voluntary organizations.

8 “(2) DISBURSEMENTS THROUGH THE FUND.—
9 All funds made available to carry out this part that
10 are used to promote microenterprise development
11 shall be disbursed through the Fund.

12 “(b) ACTIVITIES TO BE SUPPORTED.—The Fund
13 shall be used to support—

14 “(1) the institutional development of the orga-
15 nizations described in subsection (c);

16 “(2) the provision of microenterprise credit
17 through the organizations described in subsection
18 (c); and

19 “(3) research on microenterprise development
20 and evaluation of microenterprise activities funded
21 under this section.

22 “(c) INTERMEDIARY ORGANIZATIONS.—Funds dis-
23 bursed through the Fund shall be primarily channeled
24 through—

1 “(1) United States and indigenous private and
2 voluntary organizations,

3 “(2) United States and indigenous credit union
4 organizations, and

5 “(3) other indigenous governmental and non-
6 governmental organizations,

7 that have demonstrated a capacity to develop sustainable
8 microenterprise service institutions.

9 “(d) ALLOCATION OF FUNDS.—

10 “(1) MICROENTERPRISE CREDIT.—(A) Of
11 amounts disbursed through the Fund each fiscal
12 year pursuant to subsection (b)(2), at least 50 per-
13 cent shall be used for poverty lending. As used in
14 this paragraph, the term ‘poverty lending’ means a
15 loan of \$300 or less or, in the case of an initial loan,
16 of \$150 or less.

17 “(B) The administrator of the agency primarily
18 responsible for administering this part shall seek to
19 ensure that not less than 60 percent of the borrow-
20 ers of funds disbursed through the Fund pursuant
21 to subsection (b)(2) are women.

22 “(2) RESEARCH AND EVALUATION.—Not more
23 than 5 percent of funds disbursed through the Fund
24 each fiscal year may be used for research and eval-
25 uation activities under subsection (b)(3).”.

1 **SEC. 507. REPORT ON AID'S IMPLEMENTATION OF AGENDA**

2 **21 PRINCIPLES.**

3 Not later than 2 years after the date of enactment
4 of this Act, the administrator of the agency primarily re-
5 sponsible for administering part I of the Foreign Assist-
6 ance Act of 1961 shall submit to the Congress a report
7 on the incorporation of the Agenda 21 principles of the
8 United Nations Conference on Environment and Develop-
9 ment into the foreign assistance activities administered by
10 that agency.

11 **SEC. 508. AUTHORITY TO PROVIDE RECONSTRUCTION AS-**
12 **SISTANCE UNDER INTERNATIONAL DISASTER**
13 **ASSISTANCE.**

14 Section 491(b) of the Foreign Assistance Act of 1961
15 is amended by striking “disaster relief and rehabilitation”
16 and inserting “disaster relief, rehabilitation, and recon-
17 struction”.

18 **SEC. 509. DEOBLIGATION OF CERTAIN UNEXPENDED ECO-**
19 **NOMIC ASSISTANCE FUNDS.**

20 Chapter 3 of part III of the Foreign Assistance Act
21 of 1961 is amended by adding at the end the following:

22 **“SEC. 671. DEOBLIGATION OF CERTAIN UNEXPENDED ECO-**
23 **NOMIC ASSISTANCE FUNDS.**

24 “(a) REQUIREMENT TO DEOBLIGATE.—

25 “(1) ANNUAL DEOBLIGATIONS.—Except as pro-
26 vided in subsection (b), at the beginning of each fis-

1 cal year the President shall deobligate and return to
2 the Treasury any funds described in paragraph (2)
3 that, as of the end of the preceding fiscal year, have
4 been obligated for a period of more than 4 years but
5 have not been expended.

6 “(2) FUNDS SUBJECT TO REQUIREMENTS.—
7 Paragraph (1) applies with respect to funds made
8 available to carry out chapter 1 of part I (relating
9 to development assistance), chapter 4 of part I (re-
10 lating to the Multilateral Assistance Initiative for
11 the Philippines), chapter 10 of part I (relating to
12 the Development Fund for Africa), chapter 11 of
13 part I (relating to assistance for the independent
14 states of the former Soviet Union), or chapter 4 of
15 part II (relating to the economic support fund) or to
16 carry out the Support for East European Democracy
17 (SEED) Act of 1989.

18 “(b) EXCEPTIONS.—The President, on a case-by-case
19 basis, may waive the requirement of subsection (a) if the
20 President determines, and reports to the appropriate con-
21 gressional committees, that—

22 “(1) the funds are being used for a construction
23 or long term participant training project that re-
24 quires more than 4 years to complete; or

1 “(2) the funds have not been expended because
2 of unforeseen circumstances, and those cir-
3 cumstances could not have been reasonably foreseen.

4 “(c) IG COMMENTS ON WAIVERS.—As soon as pos-
5 sible after submission of a report pursuant to subsection
6 (b), the Inspector General for the agency primarily respon-
7 sible for administering part I of this Act shall submit to
8 the appropriate congressional committees such comments
9 as the Inspector General considers appropriate with re-
10 gard to the determination described in that report.

11 “(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—
12 As used in this section, the term ‘appropriate congres-
13 sional committees’ means the Committee on Foreign Af-
14 fairs and the Committee on Appropriations of the House
15 of Representatives and the Committee on Foreign Rela-
16 tions and the Committee on Appropriations of the
17 Senate.”.

18 **SEC. 510. PROCUREMENT.**

19 Section 604(a) of the Foreign Assistance Act of 1961
20 is amended to read as follows:

21 “(a) LIMITATIONS ON PROCUREMENT OUTSIDE THE
22 UNITED STATES.—(1) Funds made available for assist-
23 ance under this Act may be used for procurement outside
24 the United States only if—

1 “(A) the funds are used for the procurement of
2 commodities or services, or defense articles or de-
3 fense services, in the recipient country or in a devel-
4 oping country;

5 “(B) the provision of such assistance requires
6 commodities or services, or defense articles or de-
7 fense services, of a type that are not available for
8 purchase in the United States, the recipient country,
9 or developing countries; or

10 “(C) the President determines, on a case-by-
11 case basis, that procurement in a country other than
12 the United States, the recipient country, or a devel-
13 oping country is necessary to meet unforeseen cir-
14 cumstances, such as emergency situations, where it
15 is important to permit procurement in such other
16 country.

17 “(2) For purposes of this section, the term ‘develop-
18 ing country’ shall not include advanced developing coun-
19 tries.”.

20 **SEC. 511. VIOLATIONS OF TERMS OF ASSISTANCE.**

21 Chapter 3 of part III of the Foreign Assistance Act
22 of 1961, as amended by the preceding sections of this Act,
23 is further amended by adding at the end the following:

1 **“SEC. 672. VIOLATION OF TERMS OF ASSISTANCE.**

2 “(a) TERMINATION OF ASSISTANCE.—If any recipi-
3 ent of assistance under this Act uses such assistance in
4 substantial violation (either in terms of amounts or in
5 terms of the gravity of the consequences regardless of the
6 amounts involved) of any agreement pursuant to which
7 that assistance was furnished by using such assistance,
8 without the consent of the United States, for a purpose
9 not authorized under such agreement, then all assistance
10 and deliveries of assistance to such recipient under this
11 Act shall be terminated if—

12 “(1) the President so determines and states in
13 writing to the Congress; and

14 “(2) the Congress enacts a joint resolution de-
15 claring that the Congress agrees with such deter-
16 mination.

17 “(b) PERIOD OF TERMINATION.—Assistance shall re-
18 main terminated in accordance with subsection (a) until
19 such time as—

20 “(1) the President determines that the violation
21 has ceased; and

22 “(2) the recipient concerned has given assur-
23 ances satisfactory to the President that such viola-
24 tion will not recur.”.

1 **SEC. 512. FOREIGN AID REPORTING REQUIREMENT.**

2 (a) ANNUAL FOREIGN ASSISTANCE JUSTIFICATION
3 REPORT.—In conjunction with the submission of the an-
4 nual requests for enactment of authorizations and appro-
5 priations for foreign assistance programs for each fiscal
6 year, the President shall submit to the Congress a single
7 report containing an integrated justification for all foreign
8 assistance programs proposed by the President for the
9 coming fiscal year. Each such report shall include—

10 (1) the total amount of assistance proposed to
11 be provided under each foreign assistance program;

12 (2) the justification for that amount;

13 (3) the objectives that assistance under that
14 program is intended to achieve;

15 (4) an explanation of the relationship of assist-
16 ance under that program to other assistance pro-
17 vided by the United States; and

18 (5) the President's estimation of the date by
19 which the objectives of that program will be achieved
20 and the program concluded.

21 (b) DEFINITION.—As used in this section, the term
22 “foreign assistance program” includes any program of as-
23 sistance under the Foreign Assistance Act of 1961 or the
24 Arms Export Control Act.

25 **SEC. 513. DISADVANTAGED ENTERPRISES.**

26 (a) FUNDING LEVEL.—

1 (1) IN GENERAL.—Except to the extent that
2 the administrator of the agency primarily respon-
3 sible for administering part I of the Foreign Assist-
4 ance Act of 1961 (hereinafter in this section referred
5 to as the “Administrator” and the “Agency” respec-
6 tively) determines otherwise, not less than 10 per-
7 cent of the aggregate amount made available for
8 each fiscal year for assistance under chapter 1 of
9 that part (relating to development assistance), chap-
10 ter 9 of that part (relating to international disaster
11 assistance), and chapter 10 of that part (relating to
12 the Development Fund for Africa) shall be made
13 available only for activities of United States organi-
14 zations and individuals that are—

15 (A) business concerns owned and con-
16 trolled by socially and economically disadvan-
17 taged individuals,

18 (B) historically black colleges and univer-
19 sities,

20 (C) colleges and universities having a stu-
21 dent body in which more than 40 percent of the
22 students are Hispanic American, and

23 (D) private voluntary organizations which
24 are controlled by individuals who are socially
25 and economically disadvantaged.

1 (2) REPORT.—If for any fiscal year less than
2 the amount specified in paragraph (1) is used for
3 the activities described in that paragraph, the Ad-
4 ministrator shall submit to the Congress a report ex-
5 plaining why that amount was not so used.

6 (b) ADDITIONAL ACTIONS.—

7 (1) IN GENERAL.—In addition to other actions
8 taken to carry out this section, the actions described
9 in paragraphs (2) through (5) shall be taken with
10 respect to assistance under chapter 1, chapter 9,
11 and chapter 10 of part I of the Foreign Assistance
12 Act of 1961 for each fiscal year.

13 (2) AUTHORITIES AND PROCEDURES.—Notwith-
14 standing any other provision of law, in order to
15 achieve the goals of this section, the Adminis-
16 trator—

17 (A) to the maximum extent practicable,
18 shall utilize the authority of section 8(a) of the
19 Small Business Act (15 U.S.C. 637(a));

20 (B) to the maximum extent practicable,
21 shall enter into contracts with small business
22 concerns owned and controlled by socially and
23 economically disadvantaged individuals, and or-
24 ganizations described in subparagraphs (B)
25 through (D) of subsection (a)(1)—

1 (i) using less than full and open com-
2 petitive procedures under such terms and
3 conditions as the Administrator deems ap-
4 propriate, and

5 (ii) using an administrative system for
6 justifications and approvals that, in the
7 Administrator's discretion, may best
8 achieve the purpose of this section; and

9 (C) shall issue regulations to require that
10 any contract in excess of \$500,000 contain a
11 provision requiring that no less than 10 percent
12 of the dollar value of the contract be subcon-
13 tracted to entities described in subsection
14 (a)(1), except—

15 (i) to the extent the Administrator de-
16 termines otherwise on a case-by-case or
17 category-of-contract basis; and

18 (ii) this subparagraph does not apply
19 to any prime contractor that is an entity
20 described in subsection (a)(1).

21 (3) NOTICE OF ADVERTISING OF CONTRACTS.—

22 Each person with contracting authority who is at-
23 tached to the Agency's headquarters in Washington,
24 as well as all Agency missions and regional offices,
25 shall notify the Agency's Office of Small and Dis-

1 advantaged Business Utilization at least seven busi-
2 ness days before advertising a contract in excess of
3 \$100,000.

4 (4) PERFORMANCE EVALUATIONS.—The Ad-
5 ministrator shall include, as part of the performance
6 evaluation of any mission director of the Agency, the
7 mission director’s efforts to carry out this section.

8 (5) ANNUAL REPORTS.—The Administrator
9 shall submit to the Congress annual reports on the
10 implementation of this section. Each such report
11 shall specify the number and dollar value or amount
12 (as the case may be) of prime contracts, sub-
13 contracts, grants, and cooperative agreements
14 awarded to entities described in subsection (a)(1)
15 during the preceding fiscal year.

16 (c) DEFINITION.—As used in this section, the term
17 “socially and economically disadvantaged individuals” has
18 the same meaning that term is given for purposes of sec-
19 tion 8(d) of the Small Business Act, except that the term
20 includes women.

1 **SEC. 514. PROHIBITION ON SECURITY ASSISTANCE TO**
2 **COUNTRIES THAT CONSISTENTLY OPPOSE**
3 **THE UNITED STATES POSITION IN THE UNIT-**
4 **ED NATIONS GENERAL ASSEMBLY.**

5 (a) PROHIBITION.—Security assistance may not be
6 provided to a country that consistently opposed the United
7 States position in the United Nations General Assembly
8 during the most recent session of the General Assembly.

9 (b) CHANGE IN GOVERNMENT.—If—

10 (1) the Secretary of State determines that,
11 since the beginning of the most recent session of the
12 General Assembly, there has been a fundamental
13 change in the leadership and policies of the govern-
14 ment of a country to which the prohibition in sub-
15 section (a) applies, and

16 (2) the Secretary believes that because of that
17 change the government of that country will no
18 longer consistently oppose the United States position
19 in the General Assembly,

20 the Secretary may submit to the Congress a request that
21 the Congress enact an exemption from that prohibition for
22 that country. Any such exemption shall be effective only
23 until submission of the next report under section 406 of
24 the Foreign Relations Authorization Act, Fiscal Years
25 1990 and 1991. Any request for such an exemption shall

1 be accompanied by a discussion of the basis for the Sec-
2 retary's determination and belief.

3 (c) WAIVER AUTHORITY.—The Secretary of State
4 may waive the requirement of subsection (a) if the Sec-
5 retary determines and reports to the Congress that despite
6 the United Nations voting pattern of a particular country,
7 the provision of security assistance to that country is nec-
8 essary to promote United States foreign policy objectives.

9 (d) DEFINITIONS.—As used in this section—

10 (1) the term “consistently opposed the United
11 States position” means that the country's votes in
12 the United Nations General Assembly coincided with
13 the United States position less than 25 percent of
14 the time, using for this purpose the overall percent-
15 age-of-voting coincidences set forth in the annual re-
16 port submitted to the Congress pursuant to section
17 406 of the Foreign Relations Authorization Act, Fis-
18 cal Years 1990 and 1991;

19 (2) the term “most recent session of the Gen-
20 eral Assembly” means the most recently completed
21 plenary session of the General Assembly for which
22 overall percentage-of-voting coincidences is set forth
23 in the most recent report submitted to the Congress
24 pursuant to section 406 of the Foreign Relations
25 Authorization Act, Fiscal Years 1990 and 1991; and

1 (3) the term “security assistance” means assist-
2 ance under—

3 (A) chapter 4 of part II of the Foreign As-
4 sistance Act of 1961 (relating to the economic
5 support fund),

6 (B) chapter 5 of part II of that Act (relat-
7 ing to international military education and
8 training), or

9 (C) the “Foreign Military Financing Pro-
10 gram” account under section 23 of the Arms
11 Export Control Act,

12 except that the term does not include narcotics-relat-
13 ed assistance.

14 (e) EFFECTIVE DATE.—This section takes effect
15 upon submission to the Congress of the report pursuant
16 to section 406 of the Foreign Relations Authorization Act,
17 Fiscal Years 1990 and 1991, that is required to be sub-
18 mitted by March 31, 1994.

19 **TITLE VI—BOSNIA-HERCEGOVINA**

20 **SEC. 601. SHORT TITLE.**

21 This title may be cited as the “Bosnia-Herzegovina
22 Self-Defense Act of 1993”.

23 **SEC. 602. FINDINGS.**

24 The Congress makes the following findings:

1 (1) On July 10, 1991, the United States adopt-
2 ed a policy suspending all licenses and other approv-
3 als to export or otherwise transfer defense articles
4 and defense services to Yugoslavia.

5 (2) On September 25, 1991, the United Na-
6 tions Security Council adopted Resolution 713,
7 which imposed a mandatory international embargo
8 on all deliveries of weapons and military equipment
9 to Yugoslavia.

10 (3) The United States considered the policy
11 adopted July 10, 1991, to comply fully with Resolu-
12 tion 713 and therefore took no additional action in
13 response to that resolution.

14 (4) On January 8, 1992, the United Nations
15 Security Council adopted Resolution 727, which de-
16 cided that the mandatory arms embargo imposed by
17 Resolution 713 should apply to any independent
18 states that might thereafter emerge on the territory
19 of Yugoslavia.

20 (5) On February 29 and March 1, 1992, the
21 people of Bosnia-Herzegovina voted in a referendum
22 to declare independence from Yugoslavia.

23 (6) On April 7, 1992, the United States recog-
24 nized the Government of Bosnia-Herzegovina.

1 (7) On May 22, 1992, the Government of
2 Bosnia-Herzegovina was admitted to full member-
3 ship in the United Nations.

4 (8) Consistent with Resolution 727, the United
5 States has continued to apply the policy adopted
6 July 10, 1991, to independent states that have
7 emerged on the territory of the former Yugoslavia,
8 including Bosnia-Herzegovina.

9 (9) Subsequent to the adoption of Resolution
10 727 and Bosnia-Herzegovina's independence referen-
11 dum, the siege of Sarajevo began and fighting
12 spread to other areas of Bosnia-Herzegovina.

13 (10) The Government of Serbia intervened di-
14 rectly in the fighting by providing significant mili-
15 tary, financial, and political support and direction to
16 Serbian-allied irregular forces in Bosnia-
17 Herzegovina.

18 (11) In statements dated May 1 and May 12,
19 1992, the Conference on Security and Cooperation
20 in Europe declared that the Government of Serbia
21 and the Serbian-controlled Yugoslav National Army
22 were committing aggression against the Government
23 of Bosnia-Herzegovina and assigned to them prime
24 responsibility for the escalation of bloodshed and de-
25 struction.

1 (12) On May 30, 1992, the United Nations Se-
2 curity Council adopted Resolution 757, which con-
3 demned the Government of Serbia for its continued
4 failure to respect the territorial integrity of Bosnia-
5 Hercegovina.

6 (13) Serbian-allied irregular forces have, over
7 the last year, occupied approximately 70 percent of
8 the territory of Bosnia-Hercegovina, committed
9 gross violations of human rights in the areas they
10 have occupied, and established a secessionist govern-
11 ment committed to eventual unification with Serbia.

12 (14) The military and other support and direc-
13 tion provided to Serbian-allied irregular forces in
14 Bosnia-Hercegovina constitutes an armed attack on
15 the Government of Bosnia-Hercegovina by the Gov-
16 ernment of Serbia within the meaning of Article 51
17 of the United Nations Charter.

18 (15) Under Article 51, the Government of
19 Bosnia-Hercegovina, as a member of the United Na-
20 tions, has an inherent right of individual or collective
21 self-defense against the armed attack from the Gov-
22 ernment of Serbia until the United Nations Security
23 Council has taken measures necessary to maintain
24 international peace and security.

1 (16) The measures taken by the United Nations
2 Security Council in response to the armed attack on
3 Bosnia-Herzegovina have not been adequate to
4 maintain international peace and security.

5 (17) Bosnia-Herzegovina has been unable suc-
6 cessfully to resist the armed attack from Serbia be-
7 cause it lacks the means to counter heavy weaponry
8 that Serbia obtained from the Yugoslav National
9 Army upon the dissolution of Yugoslavia, and be-
10 cause the mandatory international arms embargo
11 has prevented Bosnia-Herzegovina from obtaining
12 from other countries the means to counter such
13 heavy weaponry.

14 (18) On December 18, 1992, with the affirma-
15 tive vote of the United States, the United Nations
16 General Assembly adopted Resolution 47/121, which
17 urged the United Nations Security Council to ex-
18 empt Bosnia-Herzegovina from the mandatory arms
19 embargo imposed by Resolution 713.

20 (19) In the absence of adequate measures to
21 maintain international peace and security, continued
22 application to the Government of Bosnia-
23 Herzegovina of the mandatory international arms
24 embargo imposed by the United Nations Security
25 Council prior to the armed attack on Bosnia-

1 Hercegovina undermines that government's right of
2 individual or collective self-defense and therefore
3 contravenes Article 51 of the United Nations
4 Charter.

5 (20) Bosnia-Hercegovina's right of self-defense
6 under Article 51 of the United Nations Charter in-
7 cludes the right to ask for military assistance from
8 other countries and to receive such assistance if
9 offered.

10 **SEC. 603. UNITED STATES ARMS EMBARGO OF THE GOV-**
11 **ERNMENT OF BOSNIA-HERCEGOVINA.**

12 (a) TERMINATION.—The President may terminate
13 the United States arms embargo of the Government of
14 Bosnia-Hercegovina upon receipt from that government of
15 a request for assistance in exercising its right of self-de-
16 fense under Article 51 of the United Nations Charter.

17 (b) DEFINITION.—As used in this section, the term
18 “United States arms embargo of the Government of
19 Bosnia-Hercegovina” means the application to the Gov-
20 ernment of Bosnia-Hercegovina of—

21 (1) the policy adopted July 10, 1991, and pub-
22 lished in the Federal Register of July 19, 1991 (58
23 Fed. Reg. 33322) under the heading “Suspension of
24 Munitions Export Licenses to Yugoslavia”; and

1 (2) any similar policy being applied by the
2 United States Government, as of the date of receipt
3 of the request described in subsection (a), pursuant
4 to which approval is routinely denied for transfers of
5 defense articles and defense services to the former
6 Yugoslavia.

7 **SEC. 604. UNITED STATES MILITARY ASSISTANCE FOR**
8 **BOSNIA-HERCEGOVINA.**

9 (a) **POLICY.**—The President should provide appro-
10 priate military assistance to the Government of Bosnia-
11 Hercegovina upon receipt from that government of a re-
12 quest for assistance in exercising its right of self-defense
13 under Article 51 of the United Nations Charter.

14 (b) **AUTHORIZATION OF MILITARY ASSISTANCE.**—

15 (1) **DRAWDOWN AUTHORITY.**—If the Govern-
16 ment of Bosnia-Hercegovina requests United States
17 assistance in exercising its right of self-defense
18 under Article 51 of the United Nations Charter, the
19 President is authorized to direct the drawdown of
20 defense articles from the stocks of the Department
21 of Defense, defense services of the Department of
22 Defense, and military education and training in
23 order to provide assistance to the Government of
24 Bosnia-Hercegovina. Such assistance shall be pro-

1 vided on such terms and conditions as the President
2 may determine.

3 (2) LIMITATION ON VALUE OF TRANSFERS.—
4 The aggregate value (as defined in section 644(m)
5 of the Foreign Assistance Act of 1961) of defense
6 articles, defense services, and military education and
7 training provided under this subsection may not ex-
8 ceed \$200,000,000.

9 (3) EXPIRATION OF AUTHORIZATION.—The au-
10 thority provided to the President in paragraph (1)
11 expires at the end of fiscal year 1994.

12 (4) LIMITATION ON ACTIVITIES.—Members of
13 the United States Armed Forces who perform de-
14 fense services or provide military education and
15 training outside the United States under this sub-
16 section may not perform any duties of a combatant
17 nature, including any duties related to training and
18 advising that may engage them in combat activities.

19 (5) REPORTS TO CONGRESS.—Within 60 days
20 after any exercise of the authority of paragraph (1)
21 and every 60 days thereafter, the President shall re-
22 port in writing to the Speaker of the House of Rep-
23 resentatives and the President pro tempore of the
24 Senate concerning the defense articles, defense serv-
25 ices, and military education and training being pro-

1 vided and the use made of such articles, services,
2 and education and training.

3 (6) REIMBURSEMENT.—Defense articles, de-
4 fense services, and military education and training
5 provided under this subsection shall be made avail-
6 able without reimbursement to the Department of
7 Defense.

8 **SEC. 605. AUTHORITY OF THE SECRETARY OF DEFENSE.**

9 (a) IN GENERAL.—The Secretary of Defense shall
10 determine the manner in which defense articles from the
11 stocks of the Department of Defense and defense services
12 and military education and training are drawn down from
13 the Department of Defense under this title to provide as-
14 sistance to the Government of Bosnia-Herzegovina. In
15 making this determination, the Secretary of Defense shall,
16 at a minimum, take into account the need to preserve the
17 readiness of the armed forces of the United States.

18 (b) FUNDING THROUGH REGULAR DEFENSE APPRO-
19 PRIATIONS.—

20 (1) REPLENISHMENT OF DEFENSE ARTICLES
21 AND RESOURCES.—Articles from defense stocks pro-
22 vided to the Government of Bosnia-Herzegovina
23 under this title, and resources expended during the
24 course of providing defense services and military

1 education and training to such Government under
2 this title, should be replenished.

3 (2) FUNDING.—Any funds necessary to accom-
4 plish the replenishment described in paragraph (1)
5 should be authorized and appropriated in defense
6 authorization and appropriations Acts.

7 TITLE VII—MISCELLANEOUS PROVISIONS

8 **SEC. 701. DEPLOYMENT OF U.N. TROOPS TO KOSOVO.**

9 The President shall direct the United States Rep-
10 resentative to the United Nations to urge the Security
11 Council to deploy United Nations troops to Kosovo, where
12 their presence will have a positive and preventive influence
13 in stopping and reversing Serbian repression.

14 **SEC. 702. INCREASE IN CSCE OBSERVER MISSIONS IN**
15 **KOSOVO.**

16 The President shall direct the United States rep-
17 resentative to the Conference on Security and Cooperation
18 in Europe (in this section referred to as the “CSCE”) to
19 urge the CSCE to increase the number of the permanent

1 CSCE observer missions in Kosovo from 20 to at least
2 50.

Passed the House of Representatives June 16, 1993.

Attest:

Clerk.

HR 2404 EH—2

HR 2404 EH—3

HR 2404 EH—4

HR 2404 EH—5

HR 2404 EH—6

HR 2404 EH—7

HR 2404 EH—8

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